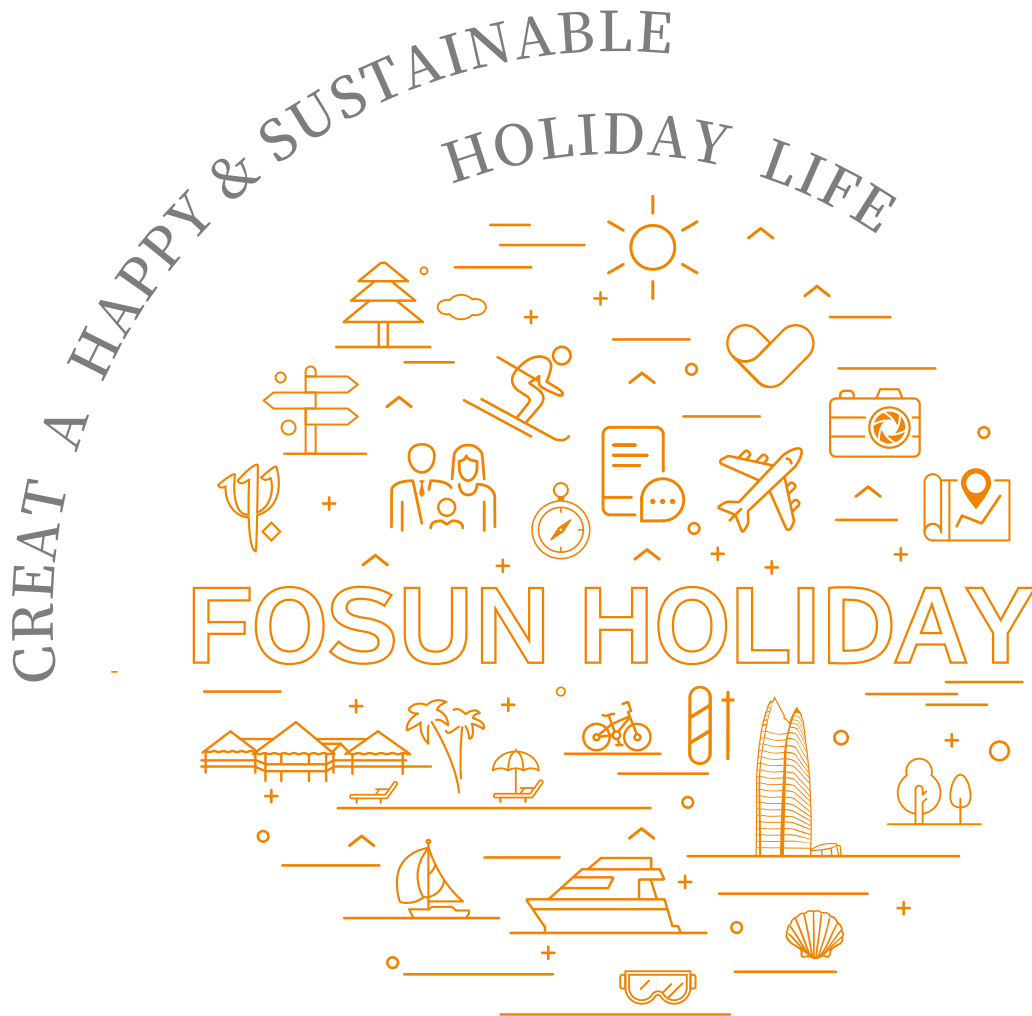


复星旅文
FOSUN HOLIDAY

复星旅游文化集团 FOSUN TOURISM GROUP

A company incorporated under the laws of
the Cayman Islands with limited liability
(Stock Code: 01992.HK)



2022

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE REPORT



Table of Contents

- 03 ABOUT THE REPORT
- 05 CHAIRMAN'S STATEMENT
- 08 BOARD STATEMENT
- 09 PERFORMANCE HIGHLIGHTS

ABOUT US

- 13 OUR BUSINESS
- 17 CORPORATE GOVERNANCE
- 23 CODE OF CONDUCT AND COMPLIANCE

DIVERSITY AND EQUALITY

- 108 BUILDING A DIVERSIFIED WORKING ENVIRONMENT
- 114 PROMOTING EMPLOYEES' PERSONAL GROWTH
- 121 IMPROVING THE SENSE OF HAPPINESS

SUSTAINABLE GOVERNANCE

- 29 SUSTAINABLE DEVELOPMENT STRATEGY
- 31 2030 SUSTAINABLE DEVELOPMENT GOALS AND PROGRESS
- 33 SUSTAINABLE DEVELOPMENT GOVERNANCE
- 35 STAKEHOLDER ENGAGEMENT
- 37 MATERIALITY ASSESSMENT
- 39 RESPONSE TO SDGS

COORDINATED DEVELOPMENT

- 129 SUPPLY CHAIN MANAGEMENT
- 131 RESPONSIBLE PROCUREMENT
- 139 COOPERATION FOR WIN-WIN RESULTS

RESPONSIBLE OPERATION

- 43 SAFETY PROTECTION
- 51 INFORMATION SECURITY AND PRIVACY PROTECTION
- 53 QUALITY IMPROVEMENT
- 59 RESPONSIBLE CULTURAL TOURISM

GIVE BACK TO SOCIETY

- 143 SUPPORTING LOCAL COMMUNITY DEVELOPMENT
- 145 RESPECTING LOCAL CULTURE
- 148 PUBLIC CHARITY

CARE FOR THE EARTH

- 67 ENVIRONMENTAL COMMITMENTS AND MANAGEMENT POLICIES
- 71 ENVIRONMENTAL AWARENESS IMPROVEMENT
- 72 CLIMATE CHANGE AND ENERGY
- 84 WATER RESOURCE UTILIZATION
- 90 ECOLOGICAL PROTECTION
- 96 EMISSION MANAGEMENT

APPENDIX

- 157 ESG REPORTING GUIDE
- 161 GRI CONTENTS INDEX
- 166 GLOSSARY

168 Readers Feedback Form



About the Report

The Report is the fifth annual Environmental, Social and Governance Report issued by Fosun Tourism to disclose the Company's strategies, objectives and performance on ESG issues. The Report covers the ESG performance during the financial year from 1 January 2022 to 31 December 2022. Description in some parts dates back to previous years or cover the first quarter of 2023.

Scope of the Report

Unless otherwise specified, the scope of the Report is consistent with that of the Company's annual report for the Reporting Period (hereinafter referred to as "2022 Annual Report"), covering Fosun Tourism and its subsidiaries. The scope of environmental data includes all Club Med resorts that have been in operation for at least one season¹ and Atlantis Sanya.

Standards of the Report

The Report is prepared in compliance with the *ESG Reporting Guide*, and with reference to the *GRI Standards*.

The content of the Report has been determined in accordance with a set of systematic procedures. The relevant procedures include: identifying and ranking material stakeholders, identifying and ranking material ESG-related issues, determining the boundaries of ESG report, collecting relevant materials and data, preparing reports based on information, and reviewing the information in the Report.

The Report is prepared in accordance with the following reporting principles required in the ESG Reporting Guide:

"Materiality" : Key stakeholders were identified and key ESG topics were determined through stakeholder engagement and materiality assessment in the course of the Report preparation.

"Quantitative" : The Report uses quantitative data to present key performance indicators at the environmental and social aspects, explaining its purpose and impacts. We also provide comparative data on key performance indicators in the Report.

"Consistency" : The statistical methods used in the Report is consistent with those used in the *Environmental, Social and Governance Report 2021*.

"Balance" : The Report follows the principle of "Balance" and objectively demonstrates the Group's ESG management status.

¹ Club Med resorts are classified as permanent, seasonal and bi-seasonal in terms of operating period. Permanent resorts open all year long. Seasonal resorts open in either the summer season or the winter season of each year. Bi-seasonal resorts open in the summer season and the winter season of each year.

Information Source and Reliability Warranty

The materials and cases in the Report mainly come from the Group's statistical reports and related documents. The Group undertakes that there is no false record or misleading statement in the Report, and bears responsibility for the truthfulness, accuracy and completeness of its content.

Confidential and Approval

The Report was approved by the Board on 24 March 2023 upon confirmation by the Management.

Report Access and Response

The report, in both English and traditional Chinese versions, is available on the Hong Kong Stock Exchange's website (<http://www.hkexnews.hk>) or Fosun Tourism's official website (www.fosunholiday.com).

We value the opinions from stakeholders and welcome any feedback through the following contact details. Your opinions will help us further improve the Report and enhance the Group's overall performance on sustainable development.

Email: foliday.esg@fosun.com

Mail: 16/F, Tower 1, No.118 Feihong Road, Hongkou District, Shanghai, People's Republic of China

Chairman's Statement

“As the COVID-19 pandemic is grinding to a halt, governments are lifting restrictions on travel. As a result, the growing demand is reinvigorating the cultural and tourism industry. As the leader in the leisure tourism industry for families worldwide, Fosun Tourism is committed to satisfying consumers' needs for safe, healthy and green travel in the post-pandemic era, and creating a sustainable ecosystem for the industry. Besides, we continue to forge ahead with the vision and goal of 'creating a happy & sustainable holiday life', providing world-leading new green holiday lifestyle services.”

Chairman
Xu Xiaoliang

In 2022, with sustainability at the deepest of heart, we kept investing in the governance and innovation in five areas - responsible operation, care for the earth, diversity and equality, coordinated development, and giving back to society. While doing so, we were working towards the sustainability goals of 2030. Thanks to the concerted efforts of our employees, consumers, partners and stakeholders, we have been selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for two years in a row. And in February 2023, we earned the highest ESG rating –“AAA”- by MSCI. The recognition makes us more determined onto the path of sustainable development.

We always put customers' and employees' health first. As we embrace the rebound in the wake of post-pandemic era, we are constantly optimizing our preventive and defensive measures against the virus. Focusing on customer experience and service quality, we have managed to deliver a different holiday experience for customers without compromising on customer privacy and security.

We strive to offer green holiday solutions that are characterized by relentless pursuit of emission and waste reduction, and energy and water saving. Besides, we spare no efforts to protect biodiversity and minimize our impact on the environment. Taking an active role in response to climate change, we invest in identifying, assessing and managing climate-related risks and opportunities, and adopt a life cycle approach to climate change across our operations. The vast majority of our hotels and resorts are certified as sustainable tourism sites or green buildings. We use a variety of creative ways to share the concept of sustainable lifestyle with our employees and customers, calling for joint efforts to build a green and sustainable future.

People are our most valuable asset. We respect and protect human rights, diversity and employees' rights and interests. We also help our people with self-actualization, and protect them from occupational hazards. We make sustained efforts to create an equal, diverse and inclusive workplace that appeals to and nurtures global talents.

We also push for sustainability throughout the supply chain. By adopting an ESG-conscious supplier management approach, we convey sustainable development philosophy to every section of the value chain and operate under a sustainable business model. In addition, we rely on the industrial ecosystem to fulfil the needs of villages, communities and cities, doing our bit to support rural revitalization and common prosperity.

In future, we will stay true to our original aspiration in the pursuit of sustainability. More specifically, we will accelerate green innovation to improve our performance in environmental, social, economic and governance terms, as well as the quality of our products and services. By doing so, we aim to build Fosun Tourism into a world-leading sustainable tourism and leisure service provider.



Board Statement

The Board and all Directors guarantee that the information in the Report does not contain any false records, misleading statements or material omissions, and make the following statements regarding the ESG supervision and management of the Board:

The Group has established a governance structure to strengthen its ESG-related work. The Board bears ultimate responsibility for the Group's ESG strategy and reporting, and comprehensively oversees related risks and opportunities. In order to implement sustainable development and effectively manage ESG issues, the Company has established the ESG Committee to assist the Board in overseeing and promoting the implementation of various ESG strategies. In addition, the Company has set up the ESG Working Group to assist the Board in identifying and prioritising significant issues. The Team also reports regularly to the Board on the effectiveness of the ESG system and the Group's performance in environmental and social key performance indicators. The ESG Committee of the Company held two meetings in March and November 2022 respectively. For outcomes of the meetings, please refer to the [Sustainable Development Governance](#) section of the Report.

In 2020, the Company conducted extensive and in-depth communication with key stakeholders through various channels to identify issues concerned and actively adopted constructive comments and suggestions. During the Reporting Period, the Company invited internal stakeholders to review and update various issues and continued to respond to major issues. The Board and the ESG Committee have actively managed the priority issues identified, and highlighted the approach to these issues in the Report. For details of the management approach and strategy, please refer to the [Sustainable Development Strategy](#) section of the Report.

The Company has formulated sustainable development strategy and goals to review and manage the Group's ESG impacts and integrate the concept of sustainable development into relevant operating levels. On a regular basis, the ESG Committee reviews the ESG strategy and goals as well as progress and achievements. For details of review on the goals, please refer to the [2030 Sustainable Development Goals and Progress](#) section of the Report.

Going forward, the Board will continue to monitor and refine the Group's sustainable development initiatives and performance, so as to devote ourselves to creating long-term value for all stakeholders and the communities in which we operate.

Performance Highlights

Economic

Financial performance



Total Assets
RMB **37,930.0** million



Revenue
RMB **13,777.7** million



EBITDA
RMB **2,344.8** million

Disclosure and report



HKQAA Sustainability Rating: A



MSCI ESG Rating: AAA

Environmental

Environmental performance

- Energy Consumption Intensity (by revenue) **383.42** kWh/RMB 10,000 of Revenue, decreased by **21%** compared to 2021
- GHG Emission Intensity (by revenue) **153.60** kgCO₂e per 10,000 RMB, decreased by **20%** compared to 2021
- Freshwater Consumption Intensity (by revenue) **4.74** m³ per 10,000 RMB, decreased by **20%** compared to 2021
- **97%** of eligible² Club Med resorts are Green Globe certified

Social

Social performance

- Overall average customer satisfaction rate: **91.4%**
- Completion rate of customer complaint handling: **100%**
- **Zero** significant privacy data leakage case
- Total number of employees: **14,070**
- Proportion of female employees: **42.2%**
- **100%** of employees receive regular performance and career development reviews
- Total number of training hours for employees: **464,310** hours
- Employee training rate: **100%**
- Fosun Tourism partners³: **62**, of which **30** are female partners, accounting for **48.4%**
- Club Med local procurement proportion reached **89%** and the proportion of local procurement in China reached **69.21%**
- **69%** of operational suppliers in China received ESG assessments conduct by the Group headquarters
- Accumulative resources invested in public welfare is about RMB **4.09 million**, and accumulative time invested in public welfare is nearly **6,000** hours

² Eligible resorts include all resorts between one year after opening and two years before closing.

³ It is different from the legal concept of "partner" in partnership enterprises.

01

About Us

Our Business	13
Corporate Governance	17
Code of Conduct and Compliance	23



Our Business

About Fosun Tourism

Fosun Tourism Group (also known as “Fosun Tourism”) is one of the world’s leading integrated tourism and leisure groups. The Group was listed on the Main Board of the Hong Kong Stock Exchange in 2018 (01992.HK). It is an integral part of Fosun’s Happiness Ecosystem, one of its four strategic segments - Health, Happiness, Wealth and Intelligent Manufacturing. For the year ended 31 December 2022, the Group achieved revenue of approximately RMB 13,777.7 million, adjusted EBITDA of approximately RMB 2,344.8 million and total assets of approximately RMB 37,930.0 million.

Throughout our mission, “Vacation brings a better life”, we seek to lead the leisure lifestyle and create a world’s leading leisure tourism ecosystem for families.



Mission

Vacation brings a better life



Vision

Pioneering holiday life style and creating a global leading family leisure vacation ecosystem



Business Overview - Fosun Tourism Ecosystem

The Group’s businesses cover three main segments, namely resorts, tourism destinations and leisure services, and tourism related services and solutions.



Resorts



A world-renowned family centric all-inclusive leisure and vacation service provider



An award-winning lifestyle hotel brand with a focus on design, high-quality food and wellbeing



A hotel brand designed for a new generation of travellers who want fun, lively holidays in hotels that have modern and stylish design



Tourism Destinations



Premium one-stop entertainment and leisure tourism destination



A one-stop international tourism destination in Lijiang, Yunnan province, including Club Med Lijiang Resort, theme park, commercial street and saleable vacation houses



A one-stop comprehensive tourism destination includes a large scale indoor ski domain, sports park, resort, a themed commercial street and saleable vacation units



An asset-light operator of tourism destinations and vacation residences



Service and Solutions



Develop and organize entertainment performances in various scenic spots



An international learning and playing club

Services and IP



A lifestyle online platform focusing on quality vacation and leisure lifestyle




Exclusive membership loyalty program including global Club Med Great Member Loyalty Program and Foryou Club Membership System


Platform and Channels

Awards and Honors

Social Responsibility Awards List



In 2022, Fosun Tourism was selected as a constituent of the Hang Seng Corporate Sustainability Benchmark Index for the second consecutive year, with a rate of "A".



In February 2023, Fosun Tourism was awarded an "AAA" rating by MSCI ESG.

Award/Recognition	Award Issuing Authority	Brand/Resort Entity/Tourism Destination Receiving Award
2022 Asia Execute Team Honored Company	<i>Institutional Investor</i>	Fosun Tourism Group
Best HK-connect Company	<i>Zhitong Finance</i>	Fosun Tourism Group
"Annual Prominent Listed Group of Culture & Tourism" of China Starlight Awards	China Starlight Awards	Fosun Tourism Group
2022 MUSE Design Awards - Gold Winner	International Awards Associate (IAA)	Fosun Tourism Group
Top 10 Excellent Corporate Social Responsibility Project - "Support Rural Doctors for Rural Revitalization"	Fosun Foundation	Fosun Tourism Group
Best Hotel Group of the Year	<i>Enjoyable Travel Magazine</i>	Albion
Best Holiday Hotels	BANG! Shanghai	Albion Residence Haitang Bay Lijiang
Best Paragon Apartments	BANG! Shanghai	Albion Residence Haitang Bay Sanya
Rustic Luxury Hotels of the Year	BANG! Shanghai	Casa Cook
2022 Model Hotel Operators in China Cultural Tourism Industry	2022 Tourism Real-estate Ultra Evaluation	Atlantis Sanya
Annual Popular Brand	2022 Highlights Awards	Atlantis Sanya
2022 Annual Parent-child Hotel	China Hotel Starlight Awards	Atlantis Sanya
Rustic Luxury Hotels of the Year	China Hotel Awards of <i>Lifestyle Magazine</i>	Casa Cook
Best Hotel Groups	<i>Voyage</i>	Casa Cook International
Winner	Hotel Design Award 2022	Casa Cook Samos
Top 10 Excellent Corporate Social Responsibility Project - "Green Farmer Project"	Fosun Foundation	Club Med
Official Reception Hotels Designated by Beijing Organizing Committee for the 2022 Olympic and Paralympics Winter Games	/	Club Med Joyview Yanqing Resort
22nd Golden Horse Awards of China - Outstanding Investment Value Cultural Tourism Project of the Year	Review Committee for the Golden Horse Awards of China	FOLIDAY Town Lijiang Mediterranean International Resort
22nd Golden Horse Awards of China - Distinguished Investment Value Cultural Tourism Project of the Year	Review Committee for the Golden Horse Awards of China	FOLIDAY Town Taicang Alps International Resort

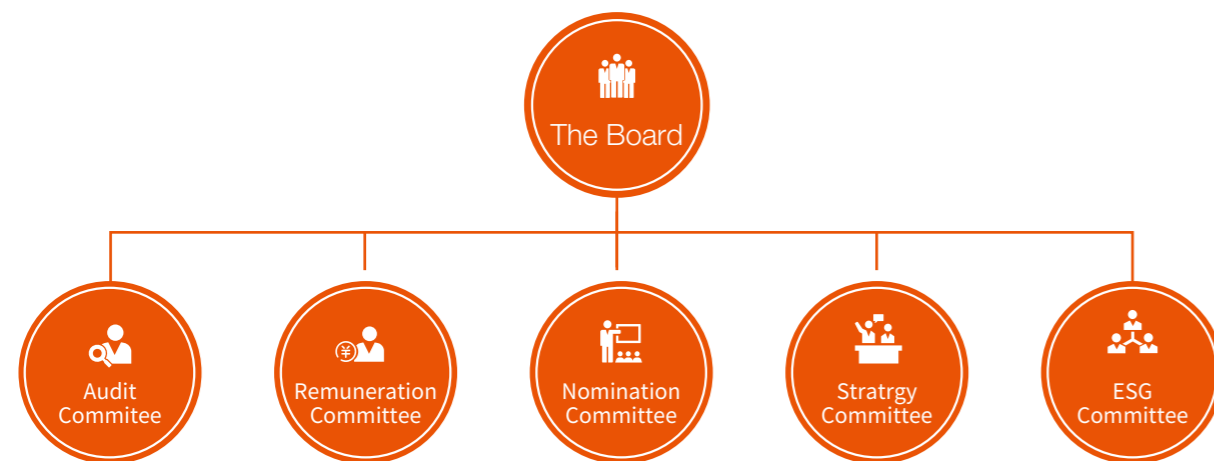
Award/Recognition	Award Issuing Authority	Brand/Resort Entity/Tourism Destination Receiving Award
"Pioneer Award - Most Progressive Cultural Tourism Group"	China Travel Consumption Annual Summit	Thomas Cook
Fun High Quality Holiday Guide TOP 10	<i>Fun High Quality Holiday Guide</i> Jointly Released by Global Cultural-Travel & Accommodation Industry Expo with 50+ Mainstream Media within the Industry	Cook's Club Guilin Resort
Best Trendy Hotel of the Year	2022 Highlights Awards	Cook's Club Guilin Resort
Best Resort Hotel	GBE Hotel Design Awards 2022	Cook's Club Guilin Resort
Best Newly Opened Hotel of the Year	Travelling Scope	Cook's Club Guilin Resort
Most Anticipated Hotel Opening	China Hotel Awards of <i>Lifestyle Magazine</i>	Cook's Home Chongli
Crossover Creative Hotel Brand	The Bund D.E.S.I.G.N Hotels	Cook's Club
Best New Generation Hotels	Life Element	Cook's Club
Most Progressive Cultural Tourism Group	Tripvidid	Thomas Cook
Best Resort Apartment Brands	<i>METROPOLITAN Magazine</i>	Albion
2022 Tourism Real-estate Ultra Evaluation-2022 Top 20 Most Expected Tourism Projects	Cric Tourism Evaluation Center	FOLIDAY Town Lijiang Mediterranean International Resort
Best Parent-Child Resort Hotels of the Year	KOL Gold List	Club Med Lijiang
Annual International Upscale Hotel	Meadin Brand Index	Club Med
Best New Hotel of the Year	2022 Enjoyable Travel Awards	Club Med Changbaishan
Best Parent-Child Hotel of the Year	2022 Enjoyable Travel Awards	Club Med Lijiang
Best Hotel Group of the Year	2022 Enjoyable Travel Awards	Club Med
Best Wedding Hotel of the Year	2022 Enjoyable Travel Awards	Club Med Joyview Anji
Best City Resort of the Year	2022 Enjoyable Travel Awards	Club Med Joyview Yanqing
Best Tourist Destination Hotel of the Year	2022 Enjoyable Travel Awards	Club Med Joyview Golden Coast
Merchant of the Year 2021	Fliggy	Atlantis Sanya
2020-2021 New Tourism Industry Demonstration Unit Award	Hainan Province Tourism Association	Atlantis Sanya
2021 Hainan Tourism&Hotel Industry Special Contribution Award	Hainan Province Tourism&Hotel Industry Association	Atlantis Sanya
Most Popular Attractions	Ctrip Award 2021	The Lost Chambers Aquarium in Atlantis Sanya
Most Popular Destinations	Ctrip Award 2021	Atlantis Sanya
Most Popular Scenic Spot	Qunar Award 2021	Atlantis Sanya
Business Partner of the Year	Qunar Award 2021	Atlantis Sanya
Best Parent-Child Resort	Travel & Leisure Industry Award 2021	Atlantis Sanya
High Quality Service Park	Entertainment Industry Gold Crown Award 2021	Atlantis Sanya Aquaventure Waterpark
Outstanding Theme Event Award	Entertainment Industry Gold Crown Award 2021	Atlantis Sanya Aquaventure Waterpark

Corporate Governance

The Group is committed to improving the corporate governance system and procedures and building a diversified governance structure to protect the significant interests of the stakeholders. Besides implementing comprehensive risk control within the Company, we are also constantly improving our business ethics and compliance management to ensure that the Company operates in a sound and efficient manner.

Corporate Governance

We are keenly aware that a high level of corporate governance is essential to boosting investors' confidence in the Company. We have applied and fully complied the principles and provisions of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, and regularly review our corporate governance performance. We also provide comprehensive on-the-job trainings for directors to ensure that they have a full understanding of the Group's businesses and operations as well as their duties and obligations under the Listing Rules and regulatory requirements.



For the terms of reference of the Company's Board and its committees, please refer to the [Corporate Governance Page](#) on Fosun Tourism's website.

◎ Diversified governance

We set up a diversified governance structure to ensure that the Board is composed of directors with highly relevant skills, professional experience and backgrounds, who hold diverse views and effectively represent the long-term interests of our shareholders.

Based on the *Director Nomination Policy* of the Company, all appointments of directors are made on the basis of merit with due regard to the benefits of diversity on the directors. Selection will be based on a range of diversified criteria, including but not limited to gender, age, cultural and educational background, experience (profession or others), skills and knowledge. One or more of Directors had experience in risk management, finance and relevant industries. We will continue to promote the implementation of diversity measures to ensure and enhance the diversity of the Board of Directors.

Our Board of Directors has achieved gender diversity so far. The Board consists of one female director (who has served as an Independent Non-executive Director of the Company since 2018) and 10 male directors. Recognizing the importance and benefits of gender diversity, the Board will continue to take proactive measures to identify female candidates to enhance gender diversity among Board Members. The proportion of Executive Directors fell from 44% last year to 36%, giving Independent and Non-executive Directors greater representation.

The Board's nationality diversity is appropriate. The Company has appointed 1 French, 1 American, 2 Hong Kong (China) and 7 Chinese directors. Among them, the French director are resident in France, which is one of the main locations of the Company's business. In December 2022, the Company added an Independent Non-executive Director with more than 20 years of teaching, research and management experience in tourism management, further enhancing the diversity of the Company's Board portfolio.

In addition, Ernst & Young, as the external auditor, has issued the "Independent Auditor's Report" for the Company for 5 years since its listing. For details of corporate governance, please refer to the [Corporate Governance Report of the Group's 2022 Annual Report](#).

◎ Performance and remuneration

The Human Resources Department of the Company is responsible for regularly reviewing the remuneration assessment mechanism and setting targets and parameters for variable pay (short-term and long-term), and submitting relevant proposals to the Remuneration Committee of the Company and the Board for approval to ensure that our remuneration mechanism is consistent with our business development needs, and the appropriateness of remuneration packages for Directors. Short-term variable pay is only applicable to the Executive Directors, which includes non-financial performance indicators like ESG management. Long-term variable pay is applicable to both Executive Directors and Non-Executive Directors (except Independent Non-Executive Directors) of the Company to motivate them to create long-term value for the Group through the grant of restricted shares and/or share options. The Company also specifies in the relevant schemes and incentive plans the mechanisms for clawback of pay applied to Executive Directors in order to reasonably manage remuneration risk. The scope of pay clawback includes all unvested long-term variable remuneration, taking into account the circumstances that give rise to claims and legal liability.

Risk Management

We have formulated and implemented the *Fosun Tourism Group Guidance on Enterprise Risk Management* with reference to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal risk control framework, which helps to establish a comprehensive risk management and control mechanism for the Group. We have incorporated social and environmental considerations into the comprehensive risk management, regularly identified and assessed emerging risks, and built the risk culture across the Group.

◎ Risk governance structure

We have established a risk management system that covers all business departments and member companies of the Group. In the system, we have clearly defined that the Board is the highest decision-making organization for the Group's comprehensive risk management, and have specified the functions and responsibilities of the CEO and Executive Committee, the Risk Management Department and each business unit.



In addition, we have established "four lines of defense" for risk management, separating and guaranteeing the function independence of our risk management system.



◎ Risk management mechanism

Our risk management model focuses on continuous improvement, which comprises six key steps: risk identification, risk assessment, risk response, risk management communication, risk management supervision and improvement, and risk management culture construction. The Company and member companies regularly analyze the design and implementation results of the comprehensive risk management system to ensure effective implementation, and identify vulnerable links in risk management through supervision to constantly improve the comprehensive risk management mechanism. We review the important comprehensive risk management regulations at least on an annual basis and make necessary updates.



Fosun Tourism Risk Management Mechanism

Our risk management mechanism also applies to the management of social and environmental risks (including risks relating to climate change, natural disasters, human rights, and corruption and business ethics). Based on the recommendations of TCFD, we have identified the overall physical and transition risks related to climate change faced by the Company and member companies, so as to formulate key risk response measures and business transformation strategies. For more information, please refer to the *Climate Change and Energy* section of the Report.

◎ Emerging risk identification

Emerging risk identification is an important part of the Company's risk management mechanism. Emerging risks are new or changing risks arising from changes in the external environment, which may cause serious negative impacts on the Company and need to be prevented and managed with effective measures. We continuously identify, assess, monitor and report emerging risks, and analyze the identified risks in depth to determine their potential medium- and long-term impacts and formulate corresponding mitigation measures.

During the Reporting Period, we re-assessed and analyzed the risks based on the emerging risk identification results in 2021, namely, the risks relating to inadequate climate actions and infectious diseases. Two new emerging risks were identified, which are inadequate climate actions and consumer behavior changes in the post-pandemic era. We have conducted impact assessment and implemented corresponding mitigation and management. For details on the emerging risk identification results, please refer to *Emerging Risk Identification of Fosun Tourism Group*.

◎ Risk culture construction

The Group and member companies incorporate the risk management culture construction in the whole process of corporate culture construction, establishing the risk responsibility mechanism as well as the risk assessment evaluation system to ensure the achievement of risk management goals. Meanwhile, we put great efforts in the risk management awareness programs for all employees. We provide risk management training and education before and during their employment, so as to enhance employees' risk awareness and risk management capabilities.

Public Opinion Monitoring

The Company has established a Crisis Management Committee to co-ordinate the Company's management over crisis and public opinion issues. An Emergency Response Team is set up under the Crisis Command Committee to take on the responsibility for monitoring daily public opinions on the Internet; analyzing, researching and determining countermeasures, treatment plans and recovery plans for the Company's public opinion crisis; and supervising the implementation of crisis response measures.

The Company has formulated the *Fosun Tourism China Crisis Management Manual*, with the aim of making a positive, honest and responsible assessment and responding to the causes, possible trends and impacts of a crisis at the fastest possible time. This Program guides and strengthens the ability of each department to make decisions and responses based on the evolution of a crisis. We also give training to our employees to enhance their crisis management awareness and crisis response capabilities.

During the Reporting Period, there were no significant incidents related to ESG crises in the Group.



Code of Conduct and Compliance

Anti-Corruption and Business Ethics

Fosun Tourism follows the highest standards of business ethics and corporate governance, and has a “zero tolerance” stance on unethical business practices.

Competent department for integrity

The Board is the highest responsibility organization for anti-corruption and business ethics. The Risk Management Department, an independent supervision department authorized by the Board, is responsible for maintaining complaints and whistle-blowing channels and investigating frauds.

Code of conduct

On the basis of strict compliance with the *Company Law of the People's Republic of China* and other relevant People's Republic of China laws and regulations, as well as applicable laws and regulations of overseas operating locations, the Group has formulated a series of internal policies such as the *Fosun Tourism Group Anti-Fraud Policy*. In addition, the Group conducts regular revision in accordance with the latest laws and regulations to ensure effectiveness of these policies.

Fosun Tourism Group Code of Conduct provides a reference for employees to abide by core values and assists them in making correct choices in their business activities. The policy includes business ethics, social care and environmental protection, whistleblowing, employee diversity and respect, etc. The Group regularly reviews and revises the Code of Conduct to ensure its compliance with the laws and regulations in force.

In order to tighten the management and supervision on the integrity performance of employees in important positions, the Group has formulated the *Fosun Tourism Regulations on the Declaration of Conflict of Interest Matters for Important Positions*, which requires all employees in important positions to declare potential conflict of interest matters and sign a notification letter when they join the Group, and declare such matters on a yearly basis afterwards.

Business ethics audit

The Company's Risk Management Department implement *Management Measures for Integrity Risk Assessment and Red, Yellow and Green Lights*, carries out annual inspection of relevant business points according to the importance level and risk level every year, and carries out anti-corruption and business ethics audit in key areas with high and easy corruption such as procurement and sales, and strengthens the management and supervision of business ethics of member companies. In addition, we conduct business ethics audits on all operating locations every three years. During the Reporting Period the annual inspection work covers 100% of the key core companies of the Group within the annual inspection plan.

With Club Med as the pilot project, we launched the risk assessment on corruption at operating locations. We carried out risk management based on risk-oriented approach and input more resources for the business units and areas with high risks. We used methods such as the Corruption Perception Index developed by Transparency International to identify high-risk countries or regions, and the business risk assessment heat maps were also applied. The risk assessment was carried out in two dimensions: business units and resort locations. We developed corresponding control measures to reduce the risk of fraud based on the levels of fraud risks in the countries where we operate, the types of the risks and the risk activities.

Whistle-blowing and complaint management

The Group has always been adhering to the values of integrity and compliance, and committed to creating an open and honest communication environment. We encourage all our employees, suppliers and other partners to be engaged in the supervision over integrity. The whistle-blower can report to our Risk Management Department through email, phone, letter, appointment, the Integrity Whistle-blowing Platform, etc. During the Reporting Period, we optimized whistle-blowing and complaint channels for internal and external stakeholders. That is, we launched the [Integrity Report page](#) on the official website and the report channel on the official WeChat account, and promoted member companies to strengthen the publicity and maintenance of whistle-blowing channels.

We strictly follow relevant provisions of the “Protection and Incentives for Whistle-blower and Witnesses” in the *Fosun Tourism Group Anti-Fraud Policy on the Measures*, and adhere to the principle of confidentiality throughout our whistle-blowing investigation work. We also strictly keep the personal information of whistle-blowers and witnesses and all reports and evidence provided by them confidential and free from being leaked and lost in the process of acceptance, registration, storage and investigation. The Group has also formulated the anti-retaliation policy to strictly protect good-faith whistle-blowers and relevant witnesses from being treated unfairly for their provision of evidence.

Upon receipt of the reporting information, the Group's Risk Management Department will assess and investigate each reporting case, and immediately inform the Chairman of the case to arouse the attention of the management. If a reporting case is accepted, designated investigators will be arranged to conduct related investigations in accordance with the principles of fairness, justice and confidentiality, ensuring that appropriate channels and resources are used during the investigation. All reporting and related data will be kept in accordance with the file management regulations of Fosun Tourism Group.

During the Reporting Period, the Group received and investigated a total of 12 reporting cases. There were 1 case confirmed for corruption and bribery, and 1 litigation case filed and concluded for corruption. During the Report Period, the Group was not subject to external anti-corruption investigation and punishment.



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Letter

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QR code



Measures for the Protection for Whistle-blower and Witnesses

List of Whistle-Blowers and Witnesses That Need Special Protection

We have put in place a "List of Whistle-Blowers and Witnesses that Need Special Protection" for the sake of employees, suppliers and partners who have made the reporting in their real names and provided the real evidence, which is managed by the Risk Management Department. Such List shall not be disclosed to any other organizations, departments and individuals without approval or authorization from the Board. In case that employees from Fosun Tourism, subsidiaries, incubated companies and investees are included in the List, priority shall be given to their salary increase, excellent staff selection and promotion.

Anti-retaliation System

We have, on a regular basis, paid high attention to the position adjustment of whistle-blowers and witnesses. The Risk Management Department is responsible for following the updates of the implementation of protective measures as the case may be, so as to eradicate exclusion, retaliation and false charge for their actions. Otherwise, the Risk Management Department will take strong measures against these ill behaviors, transferring criminal violations to judicial authorities.

◎ Integrity and compliance culture

We attach great importance to cultivating an integrity culture, with the focus on building a clean ecosystem for the entire group. The Group's employees and suppliers are required to sign the *Commitment to Integrity and Integrity Agreement* respectively. We have established a reward and punishment mechanism to include integrity as one of employees' performance indicators. We will punish employees who violate integrity policies through criticism, admonishment, recovery of any property involved in the violation, economic punishment, withholding of bonuses, demotion, removal, dismissal and administrative sanctions.

The Company provides anti-corruption courses for the Board, all employees (including part-time employees), suppliers and contractors. We carry out a series of activities to promote integrity and compliance every year, including the integrity training of new hires, annual compliance week, posters, compliance mailings as well as specific compliance training for each business.

During the Reporting Period, we provided anti-corruption trainings for the Board members and employees, with a coverage rate of 100%. The average duration of anti-corruption training per Board member and employee reached 0.4 hour and 1 hour respectively. We also provide online and offline trainings for suppliers and contractors. During the Reporting Period, the coverage rate of trainings for suppliers and contractors reached 95%. The average duration of anti-corruption training per supplier and contractor both reached 1 hour.

◎ Anti-money laundering and anti-unfair competition

As a responsible global corporate, we comply with the *Anti-Money Laundering Law of the People's Republic of China* and other laws and regulations on anti-money laundering in the countries or regions where we operate and the guidelines or requirements of relevant competent authorities and international organizations, and actively assist and cooperate with the anti-money laundering and anti-terrorism financing (hereinafter referred to as "anti-money laundering") institutions in the countries or regions where we operate. The Group has formulated the *Anti-Money Laundering Guidelines* to instruct the Company and subsidiaries to carry out anti-money laundering in accordance with regulations to promote the Group's steady operations in accordance with laws and regulations. During the Reporting Period, there were no material violations of anti-money laundering laws and regulations in the Group.

We strictly comply with the laws and regulations of the *People's Republic of China* and other countries where we operate, including the *Law of the People's Republic of China Against Unfair Competition*. The Group actively maintains healthy economic development and encourages and protects fair competition to avoid unfair competition. We attach importance to enhancing the anti-unfair competition awareness of employees and the management. During the Reporting Period, we provided employees with anti-unfair competition trainings relating to anti-bribery, false advertisement, marketing compliance and other topics, with an average training time of 1 hour per person. We explicitly prohibit unfair competition in the contracts with channels and distributors to manage unfair competition among our partners. During the Reporting Period, there were no material violations of anti-unfair competition laws and regulations in the Group.

Tax Transparency

The Board is the highest regulatory body for tax matters of the Company. As a responsible global corporate, we strictly comply with the tax policies of the countries and regions where we operate, and actively fulfil the tax disclosure obligations. During the Reporting Period, we issued the *Tax Guiding Principles of Fosun Tourism Group* based on the overall operation strategy to implement fair, transparent and ethical taxation principles.

Protection of Intellectual Property Rights

As Fosun Tourism's global strategy advances, we have pushed ahead with innovation and intellectual property (IP) protection in an all-round way. During the Reporting Period, the Company established the Intellectual Property Management Department, which was responsible for the management and risk prevention of intellectual properties such as trademarks, patents, copyrights, commercial (technical) secrets, domain names, data rights, and trade name at the group level. The Department also supported and supervised the IP management of member companies.

The Group strictly abides by relevant IP management rules and provisions in countries and regions where we operate. During the Reporting Period, we formulated and issued the *Management Measures for Intellectual Property of Fosun Tourism Group* to provide standardized guidelines and recommendations on the comprehensive protection of the Group's intangible assets. During the Reporting Period, there were no significant litigations for infringement of intellectual property rights.

We own IP assets of such brands as Foliday Town, Thomas Cook, Casa Cook and Cook's Club. In the operation, we have continuously optimized the overall management of the Group's trademarks and the Fosun Holiday ecosystem through measures such as the digital management of trademarks, and encouraged member companies to apply for key trademarks of Shanghai. As of the end of the Reporting Period, we owned a total of 2,460 trademarks and copyrights.

We provide the training on IP-related regulatory affairs for all new hires every year, and actively organize the training on IP affairs for employees, so as to build the Company into a model enterprise in the IP protection field. In December 2022, all employees of the Group and all subsidiaries participated in the training on the protection of IP rights, with an average of 1 training hour per person.



02

Sustainable Governance

Fosun Tourism has adhered to sustainable development and creation of long-term value for all stakeholders. In 2021, we set out our sustainability strategy of "Creating a Happy & Sustainable Holiday Life" and our 2030 Sustainable Development Goals to produce a deeper and more positive impact on our employees, customers, partners and the communities in which we operate.

- 29 SUSTAINABLE DEVELOPMENT STRATEGY
- 31 2030 SUSTAINABLE DEVELOPMENT GOALS AND PROGRESS
- 33 SUSTAINABLE DEVELOPMENT GOVERNANCE
- 35 STAKEHOLDER ENGAGEMENT
- 37 MATERIALITY ASSESSMENT
- 39 RESPONSE TO SDGS

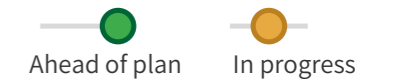


Sustainable Development Strategy

Strategic Goals	Creating a Happy & Sustainable Holiday Life				
Strategic Pillar	Responsible Operation	Care for the Earth	Give back to society	Diversity and equality	Coordinated development
Definition	<p>We are committed to providing all our clients across the world with safe, healthy and quality recreational holiday experience. We cultivate a considerate services culture through high and strict quality control with a view to delivering more happiness to global families.</p>	<p>We are committed to the conservation of limited resources on the Earth, and actively addressing the challenges of climate change through improving environment management system, raising awareness of our employees and customers for environmental protection and deploying innovative plans. In so doing, we can improve our resource use performance, and boost ecological conservation, thereby making devotion to ecological sustainability.</p>	<p>We are committed to sharing the benefits with communities, initiating new coordinated plans with people from all walks of life to help the vulnerable groups, promote the development of communities, and do our part in advancing cultural communication, and doing our best to help more people to enjoy happy lives through global philanthropic programs in the course to push ahead with social progress.</p>	<p>We are committed to creating an equal, diverse and inclusive working environment, providing employees with highly competitive remuneration and welfare, efficient training system and global job opportunities, and giving full play to their own potential, so that every employee can "Work Happily and Live with Peace of Mind".</p>	<p>We increasingly optimize management of the supply chain and extend the concept of sustainability to each link in the value chain to foster a sustainable business model. We also pay active attention to the business environment and future development of the cultural tourism industry, and work together with parties concerned in the exploration of new opportunities for the development of the industry.</p>
Key Management Areas	<ul style="list-style-type: none"> • Customer health and safety • Customer experience and satisfaction management • Privacy protection and information security • Animal welfare 	<ul style="list-style-type: none"> • Biodiversity • Water resource utilization • Use of energy • Waste management • Climate change response 	<ul style="list-style-type: none"> • Support community construction • Respect for local culture 	<ul style="list-style-type: none"> • Labor rights • Talent development • Occupational health and safety • Diversity, inclusion and equality • Care for employees 	<ul style="list-style-type: none"> • Sustainable supply chain

2030 Sustainable Development Goals and Progress

We have formalized a set of "2030 Sustainable Development Goals", reflecting Fosun Tourism's ambition to become a world-leading enterprise in sustainable development.

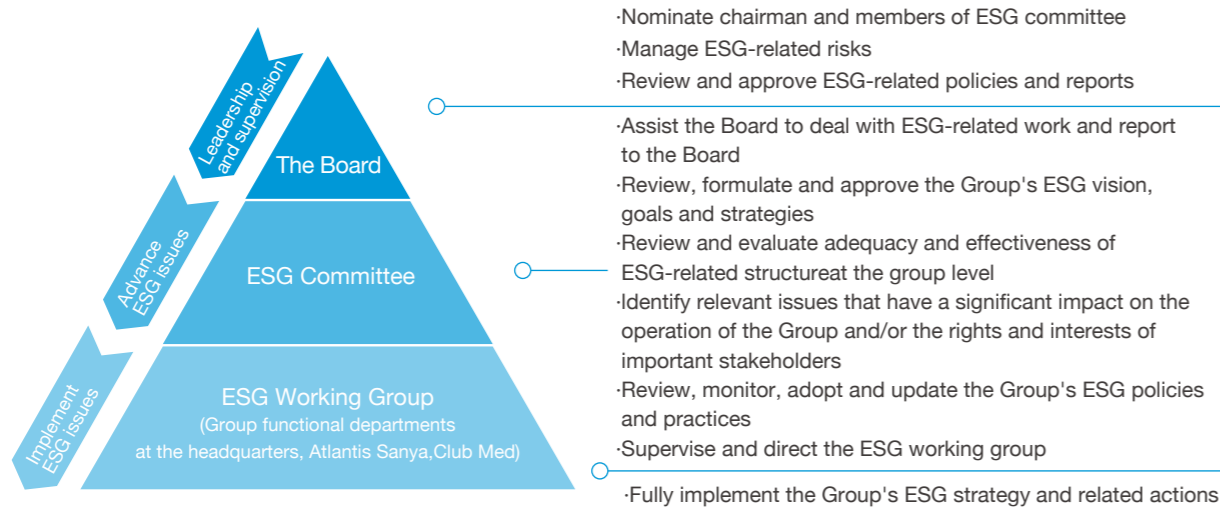


Pillar of sustainable strategy	Our commitments	Progress made in 2022	Status
Responsible operation	<ul style="list-style-type: none"> 30% of hotels and resorts get/obtain food safety HACCP or ISO 22000 or equivalent system certifications 	<ul style="list-style-type: none"> Atlantis Sanya has obtained HACCP certification for five consecutive years (including 2022) Club Med Ljiang Resort is in process of achieving HACCP certification 	In progress
	<ul style="list-style-type: none"> 100% resorts get or obtain an eco-certification (BREEAM Good minimum or equivalent, LEED (silver), or equivalent) for new built and deep renovations 	<ul style="list-style-type: none"> 65% of newly opened Club Med resorts have achieved or are in the process of achieving BREEAM, LEED or other comparable certifications since 2018 	In progress
	<ul style="list-style-type: none"> 100% resorts get or keep Green Globe/ EarthCheck /Green Hotel or equivalent 	<ul style="list-style-type: none"> 97% of eligible Club Med Resorts are Green Globe certified; Atlantis Sanya was awarded "China Five-leaves Green Hotel" and obtained EarthCheck silver certification for three consecutive years (including the Reporting Period) 	Ahead of plan
	<ul style="list-style-type: none"> Reduce carbon intensity by 40% (GHG scope 1&2) (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, GHG emission intensity (scope 1&2) increased by 7% (by hotel night sold) and increased by 14% (by revenue) 	In progress
	<ul style="list-style-type: none"> Reduce energy consumption intensity by 30% by 2030 (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, energy consumption intensity increased by 19% (by hotel night sold) and increased by 27% (by revenue) 	In progress
Care for the Earth	<ul style="list-style-type: none"> 10% reduction in water use intensity (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, water use intensity decreased by 16% (by hotel night sold) and decreased by 11% (by revenue) 	Ahead of plan
	<ul style="list-style-type: none"> 30% reduction of waste generation (2019 baseline) 	<ul style="list-style-type: none"> Compare to 2019, non-hazardous waste generation decreased by 27%, non-hazardous waste intensity decreased by 14% (by hotel night sold) and decreased by 8% (by revenue) 	Ahead of plan
	<ul style="list-style-type: none"> Achieve a maximize of renewable energy 	<ul style="list-style-type: none"> 19% of all electricity consumed in Club Med Resorts comes from renewable sources (EDF green certificates and photovoltaic electricity either produced in villages or purchased) and 46% of its villages uses electric vehicles 	In progress
	<ul style="list-style-type: none"> Continuously promote the environmental awareness of employees and customers through activities 	<ul style="list-style-type: none"> All employees received environmental awareness trainings. Green and low-carbon concepts have been promoted to customers on reservation platforms and through electronic displays, posters, information cards, and other means in resorts and hotels 	Ahead of plan
	<ul style="list-style-type: none"> Protect biodiversity both during construction and operation stage 	<ul style="list-style-type: none"> Protect biodiversity both during construction and operation stage 	Ahead of plan
Diversity and equality	<ul style="list-style-type: none"> Establish safety & health management system according to ISO 45001 and other international standards, to continuously create a safe and healthy working environment for employees 	<ul style="list-style-type: none"> Established internal audit system in accordance with ISO 45001, including 7 chapters such as management system, occupational health and safety and public hygiene and completed 38 EHSQ audits, constantly improving a safe working environment for our employees 	In progress
	<ul style="list-style-type: none"> Reduce Lost Time Injury Frequency Rate (LTIFR) by 15% (2019 baseline) 	<ul style="list-style-type: none"> The LTIFR in China is 3.88, reduced by 71% compared to 2019 and the global LTIFR is 16.63 	
	<ul style="list-style-type: none"> Achieve 100% attendance rate of employee safety and health training 	<ul style="list-style-type: none"> 100% employees received safety and health related trainings 	Ahead of plan
Coordinated development	<ul style="list-style-type: none"> Continuously improve local procurement 	<ul style="list-style-type: none"> Club Med local procurement proportion reached 89% and the proportion of local procurement in China reached 69% 	In progress
	<ul style="list-style-type: none"> Encourage suppliers to set environment-protection goals and validate through auditing and incentive programs 	<ul style="list-style-type: none"> 69% of key suppliers in China have received ESG audits by the Group headquarters and 100% food and 72% construction raw material suppliers of Atlantis Sanya and Club Med Ljiang have been audited 	
Give back to Society	<ul style="list-style-type: none"> Continuously improve local employment and procurement 	<ul style="list-style-type: none"> Continued to engage in public welfare activities concerning health and poverty alleviation, care for children, education programs, and cultural preservation, etc. The accumulated resources invested in public welfare were about RMB 4.09 million and the accumulated time invested nearly 6,000 hours 	In progress
	<ul style="list-style-type: none"> Promote local cultural communication 	<ul style="list-style-type: none"> Club Med has taken local traditional culture into design, presented various local cultural creation works in the resort and hosted local culture promotion activities 	

Sustainable Development Governance

ESG Governance Structure

The Board is the highest responsible organization for the ESG governance, which plays a major leadership and supervision role in the ESG governance. The Group has established a top-down three-level ESG governance structure, which consists of the Board, the ESG Committee and the ESG Working Group.



ESG Committee

The Company has established an ESG Committee. As of the end of the Reporting Period, the Committee comprised three members, including two independent non-executive Directors, Mr. Guo Yongqing (Chairman) and Ms. Katherine Rong Xin, and one executive director, Mr. Henri Giscard d'Estaing. The responsibilities of the ESG Committee have been defined from three aspects, namely, the ESG vision, goals, strategies and governance structures, the ESG performance and the ESG reporting. Meanwhile, the ESG Committee performs other ESG-related functions specified by the Board. For specific duties, please refer to the Group's *Terms of Reference of the ESG Committee*.

The ESG Committee shall meet at least once a year. The ESG Committee held two meetings in March and November 2022 respectively, and the outcomes of the meetings were as follows:

- Reviewed the latest global ESG trends and regulatory requirements, assessed the Group's potential ESG risks and opportunities, and reported to the Board;
- Reviewed and evaluated the adequacy and effectiveness of the Group's existing ESG governance structure and ESG policies, and reviewed and approved the revision of some ESG policies;
- Reviewed the progress of the Group's ESG strategies and goals;
- and approved the Group's annual ESG plan;
- Reviewed and approved the Group's annual ESG report;

ESG Working Group

We have set up an ESG Working Group under the ESG Committee to drive the implementation of specific ESG-related work. We have included the responsible persons of each functional department at the headquarters and relevant departments of our major subsidiaries in the Team. For specific duties, please refer to the *Fosun Tourism Group Scope of Responsibility of ESG Working Group*. During the Reporting Period, the ESG Working Group continued to implement the Group's ESG strategies and goals, reviewed ESG rating gaps, global trends and potential risks, and provided recommendations for the ESG Committee.

ESG Policies

The high-level ESG governance is inseparable from adequate and effective ESG policies. For our ESG policies, please refer to the [Sustainability page on the official website](#) of the Group.

To enhance the transparency, we implement an annual review on the adequacy and effectiveness of our ESG policies, which consolidates the ESG governance by aligning with the needs of stakeholders and the latest regulatory requirements. During the Reporting Period, ESG policies and systems below were updated and/or approved:



ESG policies and systems	2022
<i>Management Measures for Intellectual Property of Fosun Tourism Group</i>	Approved
<i>Fosun Tourism Group Emergency Response & Reporting Management Program</i>	Updated
<i>Fosun Tourism Group Hotel/Resort EHS Audit Program</i>	Updated
<i>Fosun Tourism Group Accountability Program for EHSQ Incident</i>	Updated
<i>Fosun Tourism Group Guidance on Enterprise Risk Management</i>	Updated
<i>Fosun Tourism Group Employee Handbook</i>	Updated
<i>Fosun Tourism Group Supplier Code of Conduct</i>	Updated
<i>ESG Regulation for Suppliers of Fosun Tourism Group</i>	Updated
<i>Fosun Tourism Group EHSQ Policy</i>	Updated

Capacity Construction

The Group focuses on promoting ESG literacy and building ESG capacity. Not only do we continuously pay attention to international and domestic ESG development trends and actively grasp the hot spots of ESG concerns in the capital markets. We also encourage employees to proactively participate in ESG knowledge promotion and learning to understand the latest industry developments, so as to enhance ESG capacity construction in terms of ESG awareness recognition by all employees. We award and recognize departments and individuals that made outstanding contributions to the Group's ESG performance.

We make full use of internal and external experts and information resources to enhance ESG capabilities of all employees. We have incorporated ESG-related courses into the orientation training to ensure that all new employees participate in ESG Training.

The Group, as one of the co-organizers, participated in the ESG Culture Week jointly arranged with Fosun Group in December 2022. A series of activities such as Fosun Morning Assembly, ESG knowledge popularization and ESG knowledge competitions were organized, which contributed to the dissemination of ESG culture and knowledge among all employees. The Culture Week invited representatives of outstanding member companies to share their experience in ESG governance, and engaged external experts to conduct themed training on ESG. During the Reporting Period, Fosun Group launched the online ESG learning platform. Employees of the Group actively learned about ESG-related knowledge and hot topics through the platform.

Stakeholder Engagement

The Group always believes that two-way, transparent and regular communication can help us effectively understand and respond to the expectations and demands of the stakeholders, and continuously improve our sustainability performance. We have identified seven major stakeholder groups in respect of their close relation with the Group, and established a normalized and diversified communication mechanism with them.

In 2022, we continued to regularly communicate with major stakeholders through methods listed below to timely and effectively understand their demands and adopt their suggestions. By doing so, we consider their concerns in our operation and decision-making process.



Investor/Shareholder	Customers and Clients	Hotel Owners and Franchisees	Employee	Supplier	Media and local residents	Industry Association
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Issues concerned

- Business ethics and anti-corruption
- Corporate governance
- Customer experience and satisfaction management
- Customer health and safety protection

- Customer experience and satisfaction management
- Privacy protection and information security
- Customer health and safety protection

- Food health and safety
- Sustainable supply chain
- Animal welfare

- Labour rights
- Care for employees
- Occupational health and safety
- Diversity, inclusion and equality

- Business ethics and anti-corruption
- Sustainable supply chain
- Animal welfare

- Climate change response
- Use of energy
- Biodiversity
- Water resource utilization
- Support community construction
- Waste management
- Respect local culture

- Business ethics and anti-corruption
- Climate change mitigation
- Support community construction

Communication Channels

- General meeting/interim general meeting
- Performance release conference
- Investor meeting
- Press release/announcement/annual report/corporate newsletter
- Roadshow

- Face to face communication
- Customer satisfaction survey

- Regular/ irregular meeting
- Performance release conference
- Press release/ announcement/ annual report/ corporate newsletter

- Executive sharing session
- Staff meeting
- Employee engagement and satisfaction survey
- Team building activities

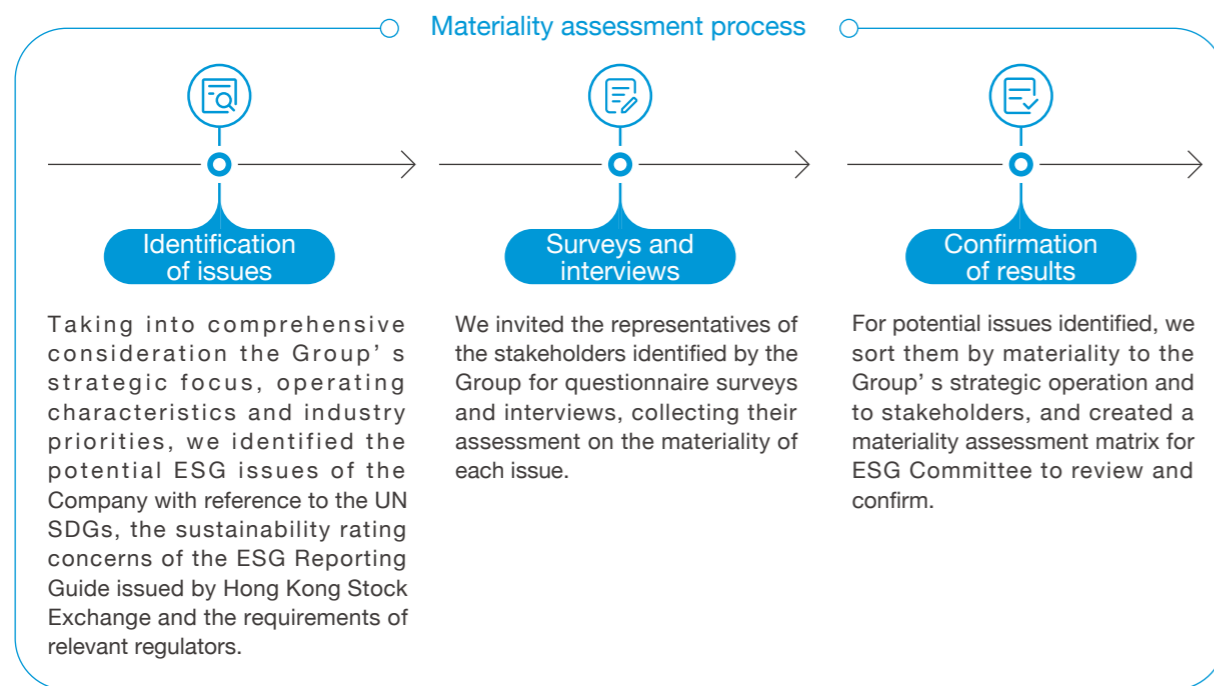
- Supplier complaint feedback channel
- Supplier on-site visit/audit
- Supplier annual executives meeting
- Supplier training and related activities

- Press release/ announcement
- Public welfare volunteer activity
- Local procurement plan

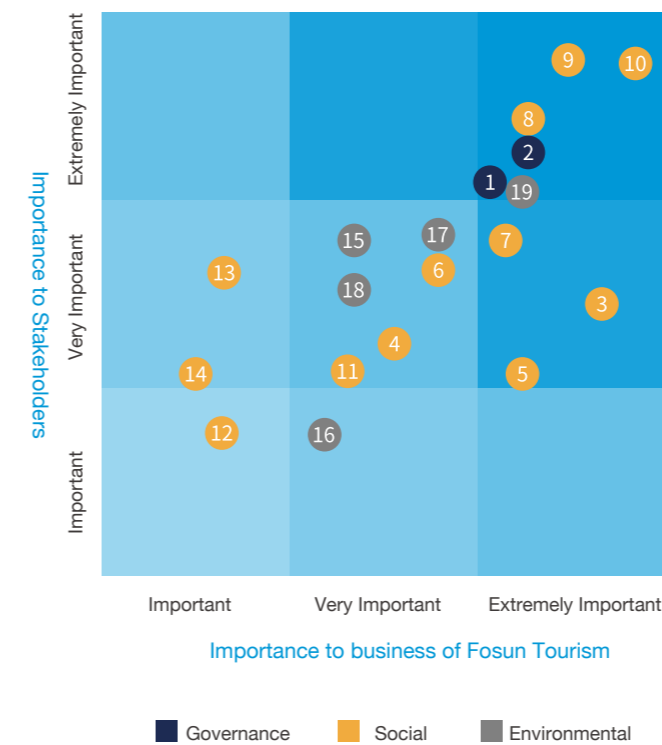
- On-site investigation
- Telephone communication
- Periodic report and announcement

Materiality Assessment

Based on the feedback from stakeholders and the assessment of the global sustainability trends, we have regularly reviewed business-related ESG issues on the dimensions of “materiality to Fosun Tourism” and “materiality to stakeholders”. In 2020, we conducted a formal materiality assessment and identified 24 ESG issues. In 2021, the original 24 ESG issues were reassessed and updated to 19 issues.



During the Reporting Period, we reviewed the results of the latest materiality assessment. As there is no significant change in the Group’s business and external environment, we will continue to address the 19 ESG issues identified in 2021. After assessment, the materiality of climate change mitigation to stakeholders and the Group’s business operation increased significantly. In addition, we will continuously focus on these issues and allocate resources accordingly to manage all issues affecting the Group and the stakeholders. The materiality assessment matrix is shown below:



Area	No	Issues	
Governance	1	Business ethics and anti-corruption	
	2	Corporate governance	
Social	3	Labor rights	
	4	Diversity, inclusion and equality	
	5	Talent development	
	6	Care for employees	
	7	Occupational health and safety	
	8	Customer experience and satisfaction management	
	9	Privacy protection and information security	
	10	Customer health and safety protection	
	11	Sustainable supply chain	
	12	Animal welfare	
	13	Support community construction	
	14	Respect local culture	
	Environmental	15	Biodiversity
		16	Waste management
17		Water resource utilization	
18		Use of energy	
19		Climate change mitigation	



Response to SDGs

As a company running business across multiple continents, Fosun Tourism believes that working together to cope with the challenges confronted by the whole world is the key to sustainability. We fully support United Nations Sustainable Development Goals (UN SDGs), identify the ones most relevant to our business and make adjustment to our strategy accordingly. We look forward to more cooperation with government and other institutions in support of UN SDGs and contribute to the tackling of various key global issues such as climate change mitigation and the sustainable use of terrestrial ecosystem.

Title of sections	Corresponding issues	Corresponding UN SDGs
About Us	Corporate governance Anti-corruption and business ethics	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Responsible operation	Safety protection Privacy protection and information security Quality improvement Responsible cultural tourism	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Care for the Earth	Environmental commitments and management policies Environmental awareness improvement Climate change and energy Water resource utilization Ecological protection Emission management	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND
Diversity and equality	Building a diversified working environment Promoting employees' personal growth Improving the sense of happiness	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Coordinated development	Supply chain management Responsible procurement Cooperation for Win-win Results	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Give back to the society	Supporting local community development Respecting local culture Public charity	1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION



03

Responsible Operation

Fosun Tourism is committed to providing all our customers across the world with safe, healthy, thoughtful and sincere recreational holiday experience. Attaching great importance to customers' safety and healthy, we have set up a complete safety and health system to cope with various risks related to safety. Focusing on customer experience, we have developed the sound iCARE service management system to cultivate Fosun Tourism's service culture of providing thoughtful and warm services and delivering the best experience to families around the world.

43 SAFETY PROTECTION

51 INFORMATION SECURITY AND PRIVACY PROTECTION

53 QUALITY IMPROVEMENT

59 RESPONSIBLE CULTURAL TOURISM



Safety Protection

Safety has always been the top priority of the Group. We strictly comply with the *Work Safety Law of the People's Republic of China, the Food Safety Law of the People's Republic of China* and other relevant People's Republic of China laws and regulations, as well as applicable laws and regulations of overseas operating locations. We attach great importance to the safety in every aspect of our operations. By improving the safety management system, raising the employees' safety awareness and capability, regularly identifying the risks related to safety and taking corresponding measures, we manage to ensure the safety of our clients and employees.

Operation Safety

Implementation of safety management

The Group set up the Environment, Health, Safety & Customer Service and Product Quality Supervision and Management Department (hereinafter referred to as the "EHSQ Department") in May 2019 for the management of EHSQ issues, and has constantly improved the existing safety management system. During the Reporting Period, the Group's EHSQ team reviewed existing management systems, and revised 12 policies such as the *Fosun Tourism Group EHSQ Policy* and the *Fosun Tourism Group Emergency Response & Reporting Management Program*. In Addition, the EHSQ team formulated the *Fosun Tourism Group Management System for Permit to High-risk Work* and the corresponding High-risk Work Approval Form to strengthen the safety management for suppliers and contractors.

Our EHSQ management is based on the PDCA (Plan, Do, Check and Act) principle. We regularly identify risks of subsidiaries, and investigate and audit their potential dangers. The risk audit covers fire safety, operation safety, food safety, public health, pandemic containment, customer service, environment protection, etc. Based on the results of risk identification and assessment, we will inform corresponding subsidiaries of corrective suggestions for identified risks, and require them to report the progress of corrective actions within the specified time. During the Reporting Period, except that the pre-opening EHS inspection and the inspection for the Taicang FOLIDAY Town project were carried out once a month, the EHSQ Department conducted 38 inspections for various operating locations. Through the implementation of the PDCA principle, the Group's average EHS audit score was increased to 74.5 in 2022 (66.8 in 2021).

While meeting the Group's EHSQ management requirement, each subsidiary also constantly improves its own safety management systems, implements various safety management measures and conducts risk identification and safety inspection based on its business characteristics and EHSQ risks.

Atlantis Sanya

Atlantis Sanya has established an EHSQ Management Committee, and put in place designated safety personnel and safety officers of every department of the hotel. In addition, it has formulated and implemented internal policies such as the *Fire Prevention and Safety Management System and the Contingency Plan*. Atlantis Sanya has set out annual EHSQ goals and work plans, which can be reflected in its safety inspections on and after major public holidays, irregular risk investigations and evaluations, and monthly safety checks.

During the Reporting Period

Atlantis Sanya conducted **18** internal EHS internal inspections in total with a rectification completion rate of **100%**.

Atlantis Sanya also participated in Fosun Group's 2022 EHS audit, achieving the highest score among all audited subsidiaries.

Club Med

Club Med has established a Safety, Hygiene and Health (SHH) department in its headquarters. The Department regularly releases/updates policies and operating procedures on SHH topics on a dedicated intranet site, which is accessible to all resorts and offices. The site provides guidelines for prevention, safety, hygiene, and health regarding both GM® and GO® / GE. Dedicated SHH relays are set up in all BU's and resorts, managing the operational enforcement of all SHH procedures and policies.

During the Reporting Period, the position of "Safe Together Manager" in resorts was created temporarily, to manage COVID-19 prevention, and made permanent in the aftermath. This officialized the position which is now renamed "EHS manager". Today the positions responsibility range has been extended coordinating health and hygiene, food safety, check-in safety, crisis management as well as the management of the Corporate Social Responsibility Program "Happy to Care".

Regular internal and external audits and investigations on health and safety are also carried out in Club Med resorts. The SMICE digital tool has been fully deployed in all resorts, which allows teams to perform self-checks of all on-site activities (people/processes/structures) every month. The self-check results are available on the SMICE app and platform. Resort General Managers steer all health and safety related topics and data, including risk assessments data, accident investigation assessments data, etc. via a monthly health and safety meeting.

To provide guest safety globally, Club Med has established a 360°SHS (Safety, Hygiene and Health) tool. SHS working guidelines have been set up for fire safety, disaster escape, staff training, food safety, protective equipment and more. Through measures such as the inclusion of SHS content in job descriptions, monthly SHS meetings, and regular 360°SHS assessments of the resort, Club Med ensures the effective implementation of the 360°SHS guidelines. In 2022, the 360°SHS plan has been deployed to all resorts.



🕒 Pandemic prevention and control

In 2022, the pandemic resurged with more variants that spread faster than before. The group has always adhered to the principle of "Safety First" and further strengthened its hygiene procedures, in line with the recommendations of the World Health Organization and the guidance of other regions where it operates, to help protect the health and safety of guests and employees in a multi-faceted and all-round way.

🏨 Atlantis Sanya

During the Reporting Period, based on the latest trend of COVID-19, Atlantis Sanya updated the *Action Plan for Pandemic Prevention and Control*, specifying detailed standards for prevention, control and inspection measures concerning customer protection, employee protection, food safety, room safety, emergency response and pandemic prevention and control on occasions of gathering to ensure comprehensive prevention and control of pandemic.



Implementing enhanced pandemic prevention procedures at hotel

With the normalization of pandemic containment, it is important for hotels to establish an emergency response mechanism. During the Reporting Period, Atlantis Sanya updated the *Contingency Plan for Pandemic Prevention and Control* and the *Action Plan for Emergency Response* and strengthened the trainings and drills on pandemic prevention measures and multi-scenario emergency handling procedures, so as to effectively improve all members' ability to handle emergencies related to COVID-19. Meanwhile, the training on pandemic prevention and control has been incorporated in the orientation training courses to ensure that all employees are aware of the pandemic prevention policies and requirements of the hotel.

During the lockdown from August to September 2022 in Sanya, Atlantis Sanya was designated as one of the quarantine hotels. Atlantis Sanya strictly implemented all requirements to ensure the health and safety of customers and employees. No employee was infected during the lockdown.

🏨 Club Med

In 2022, Club Med continued to respect all local laws and regulations, implementing global measures to prevent the spread of infectious diseases. The measures cover customer arrival, public areas, rooms, meals, cleaning, and disinfection, as well as recreational activities, to provide customers with a safe, healthy, and secure holiday experience.

For the resumption of its activity and reopening of the resorts, Club Med formulated the Operating Procedures for Reopening Resorts in several languages and implemented various management measures such as the *Resort Guidelines for Epidemic Prevention and Control*. Club Med updates relevant measures in accordance with the changing local laws, regulations, and pandemic prevention requirements, maintaining a high level of pandemic containment work. As the risk of pandemic outbreaks decreases, Club Med has also gradually re-implemented its pre-pandemic healthcare staffing standards.

Since 2020, Club Med has set up an audit program POSI Check (Prevention of The Spread of Infection) in cooperation with CRISTAL International Standards and China Certification and Inspection (Group) Company Limited (CCIC). The POSI Check is conducted at least once every operating season in every Club Med resort to ensure the effective prevention and control of the pandemic.

In 2022, in all Club Med resorts,

🛡️ POSI Check audits
a total of **122**

📄 with an average score of
92.23

Emergency drill plan

To improve employees' emergency response and handling abilities, we formulate a complete safety emergency drill plan and require all member companies to develop their own emergency drill plans according to their operational risks. The emergency drills are divided into comprehensive drills and special drills, covering different scenarios such as fire fighting, food safety, infectious disease outbreaks, chemical spills, emergency rescue of large rides, pool drowning, first-aid in accidents, search and rescue of people travelling outside the resort and severe weather.

All hotels and resorts are required to perform fire safety management according to the fire safety requirements for crowded places, strictly carry out fire safety trainings and fire drills for all members at least twice a year, identify key areas of fire protection and formulate special plans and undertake special drills.



Safety emergency drill

Atlantis Sanya, Club Med resorts, Lijiang FOLIDAY Town and Taicang FOLIDAY Town have formulated a safety emergency drill plan to organize all employees and relevant contractors to conduct safety emergency drills. During the Reporting Period, Fosun Tourism' member companies completed a total of 109 EHSQ-related emergency drills.



Drill of Fire Extinguisher Operation in Atlantis Sanya



Club Med Joyview Anji Resort Pool Drowning Emergency Rescue Drill

Enhancement of safety awareness and capability

Fosun Tourism carries out safety trainings at the group level, the hotel and resort level and the department and position level, and formulates a training matrix comprising general trainings and special trainings, in which different training contents and frequencies are specified for employees from different departments based on risk requirements, so as to ensure the effective implementation of safety policies and systems.

Trainings at the hotel and resort level

- Orientation training
- Centralized pre-opening training of seasonal resorts
- Monthly EHS training

Trainings at the group level

- Orientation training
- Annual EHS training

Trainings at the department and position level

- EHS pre-service training
- Regular training
- Real-time training

The Group-level trainings include *EHS culture, fire safety, public health and food safety* that every new employee is required to attend as well as EHS trainings for all employees at least once a year. During the Reporting Period, the EHSQ Department of the Group's headquarters arranged a total of 21 EHSQ trainings concerning EHS hazard identification and risk assessment, incident report and management, occupational health and safety, HACCP management system, labor protection, green hotel certification, pandemic prevention and control and disinfection in key areas, with a total duration of 23.5 hours, and a total attendance of 1,722.

To improve all employees' awareness of safety, we have enhanced EHS culture promotion and training by providing trainings at the hotel and resort level such as orientation training, centralized pre-opening training of seasonal resorts, monthly EHS training and work safety month EHS activities, and trainings at the department and position level such as EHS pre-service training, regular training and real-time training.

Club Med's Improvement of security capability

Club Med provides annual trainings and tools for all EHS managers to continuously improve their skills and management capabilities in health, hygiene, and safety. In addition, all employees are required to participate in regular health, safety and hygiene trainings, basic fire safety and evacuation drills.

In 2022, Club Med carried out security personnel trainings in China, including but not limited to anti-riot drill, fire safety training, flood defense training, emergency handling training and human rights policy training. All security personnel of the resorts completed the trainings, with an average of over 3 training hours per person.

Food Safety

Tracking of progress for 2030 sustainable development goals

Development goals

- 30% of hotels and resorts have obtained food safety HACCP or ISO 22000 and similar certifications

2022 progress

- Atlantis Sanya has obtained HACCP certification for five consecutive years (including 2022)
- Club Med Ljiang Resort is in process of achieving HACCP certification

Food safety is an important part of customer safety. To provide our customers with healthy and safe food and help them enjoy healthy holidays, we constantly improve relevant policies and personnel training, carefully select cooking ingredients and conduct stringent control over food handling process and food serving standards.

We have formulated an array of management regulations and standards concerning food safety such as the *Fosun Tourism Food Safety Management System*. During the Reporting Period, we updated relevant regulations and standards based on the latest food safety regulations of China. Based on the food safety management regulations and standards of the Group, the member companies have set up their own SOPs, and management and implementation rules. In addition, we conduct annual food safety and hygiene audits on resorts, thus forming a multi-dimensional and multi-level management and review system.

Atlantis Sanya

Atlantis Sanya has appointed food hygiene managers under the EHSQ line to undertake the responsibilities in daily management and training of food safety, emergency treatment and investigation, HACCP system management, food supplier management, etc. All new employees are required to attend the HACCP-related trainings and assessments within 1 month joining Atlantis Sanya. In addition, Atlantis Sanya provides compulsory and customized food safety trainings, both online and offline, for all staff in the Food and Beverage Department.

During the Report Period, Atlantis Sanya optimized the food safety policies, including the HACCP manual and food safety management procedures, and passed the review of the HACCP system by a third-party institution Société Générale de Surveillance(SGS).

Club Med

All Club Med BU's and zones employ a dedicated Health and Food Safety Manager who implements and audits the Club Med food safety hygiene plan, local action plans and food safety training. In 2022, Club Med updated its food hygiene plan by integrating new products and services such as appetizers, room service and outdoor food offering. Food service staff of Club Med participates in HACCP trainings, and all European Executive Chefs and Food and Beverage Managers obtained a HACCP training confirmation. In addition, Club Med has also formulated response procedures for foodborne diseases outbreaks to ensure the safety of customers in all aspects.

All Club Med resorts are subject to third-party food safety audits which are conducted every two months by Intertek or China Certification & Inspection Group (CCIC). In 2022, Club Med conducted 154 food inspections and 136 water quality inspections at resorts outside China, achieving an average score of 82.64 and 84.04 respectively.

Food safety management in supply chain

The Group attaches great importance to the food safety management in supply chain, and makes efforts to build a solid food safety barrier. For specific management measures, please refer to *Supply Chain ESG Management* section of this Report.

Club Med

Club Med identifies the food supply chain as a target risk and pays special attention to it, mitigating the risk with precautionary measures such as audits. The Purchasing Department of Club Med conducts regular performance evaluations and audits on food suppliers. As a member of Check Safety First and CRISTAL, the Purchasing Department set up a risk mapping on sensitive countries and on high-risk categories such as the supply of fresh meat and fish and frozen products in 2019. This mapping is followed by a supplier self-assessment addressed and analyzed by Check Safety First, and Club Med takes relevant measures based on the assessment results. As of the end of the Reporting Period, more than 130 suppliers were identified as "sensitive suppliers".



Information Security and Privacy Protection

The Group strictly abides by national and local laws and regulations such as the *General Data Protection Regulation* of the EU (GDPR), the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and applies stringent standards and measures to protect user information, which ensures the safety of customer information and privacy in all aspects.

The ESG Committee under the Board is the highest responsible organization for user privacy and data security management. To achieve comprehensive protection, the Group has set up the Information Security Committee, consisting of the core members of the Technology Department, the Human Resource Department, the Risk Management Department, the Public Relations Department and the Legal Affair Department, to regularly report to the Chief Management of the Group. The Technology Department is in charge of the security of all customer data of the Group. Its main responsibilities include formulating information security procedures and policies, implementing information security principles, carrying out daily monitoring and regular scanning for information and system security, dealing with information and system security incidents, following up on information security policies and regulations and carrying out internal information security training.

Information Security

Endeavoring to protect customer information, we take proper administrative, technical and physical security measures, and build an information security protection system in view of the current business development with reference to domestic and overseas information security standards and best practices.

We formulated the *Fosun Tourism Group Information Security Management Regulation*. From the perspective of data life cycle, we established security measures for all relevant links such as data collection, storage, display, disposal, use and destruction. We take different control measures based on the level of information sensitivity, including but not limited to access control, SSL encrypted transmission and desensitization of sensitive information. We also strictly manage employees who may have access to user information, establish approval mechanism for all critical operations like data access, internal and external transmission and use, desensitization and decryption, and sign with the aforesaid employees a confidentiality agreement and *Letter of Commitment for Employees Involved in Information Security or Data Protection*.

We formulated data leakage prevention and emergency response plans to prevent or deal with data leakage mainly through password leakage risk reminders, user sensitive information leakage risk reminders, external public relations methods, and monitoring of information disclosure and transactions on the dark web. During the Reporting Period, the Group had no significant leakage of customer privacy or loss of customer data.

The Group regularly conducts internal information security review, which involves quarterly network penetration security scanning, irregular security scanning by external third-party, and "Red" vs "Blue" security competitions with external professional security teams. The Group also carries out annual IT audits, in which the headquarters' or external audit team independently checks and audits the completeness and accuracy of data, the stability and security of IT system architecture and abnormal risk control measures. The Group's Thomas Cook Lifestyle Platform (TCP) has been granted the Level III certificate under the National Cybersecurity System Grade Protection. Under this certification, the information security system is assessed and evaluated every year, which effectively ensures the security of our information system.

The Group actively cultivates the information security culture by arranging a series of campaigns, trainings and publicity on information security, so as to enhance the education on awareness of information security for all employees. In November 2022, the Group invited all employees to participate in the online training courses titled "IT Information Security Publicity", which explained the basic concepts and means of information security, common principles and key protection points of information security practices, as well as regulations, norms and policies related to information security.

Privacy Protection

We put users' interests first when collecting and using user information. During the Reporting Period, the Group formulated *Fosun Tourism Personal Information Protection System*, standardizing personal information handling procedures at the Group-level and the subsidiary-level and specifying the responsibilities of employees at all levels. The regulation also focused on optimizing the APP privacy terms and the collection and management of online and offline information, so as to establish a sound personal privacy protection mechanism.

The Group has made the *Fosun Tourism Group User Privacy Policy* applicable to all member companies, which clarifies the Group's basic manners for the collection, usage and management of the personal information of customers. The Group has updated the policies on a regular basis to make sure they are applicable for relevant business scope and compliant with laws and regulations. The Group's primary purpose of collecting user data is to improve user experience and enhance the quality of our products and services. The Group's whole information collection process is implemented under the principles of legality, authorization, minimal collection, classified management, encrypted storage, data desensitization and undisclosed destruction. Based on the purpose of information collection and business needs, we minimize the data retention period within the law and safely remove the data after the retention period expires. In addition, we will not rent, sell or provide users' personal information to third parties, except for the provision of services, the merger and acquisition transactions or the explicit consent of the user. We require third parties to sign the *Confidentiality Agreements for Information Users and Personal Information and Data Protection Commitment Letter*, etc.

We have always been committed to providing our customers with better transparency. All users who sign up for Foryou Club membership on the TCP need to confirm the *Foryou Club Membership Registration Agreement*, through which the users are clearly informed of our rules on user data and privacy. Users are allowed to log in to their accounts at any time to view or modify personal information, or request us to update, correct, delete and/or stop processing their personal information, and we will process such requests in accordance with applicable laws.

During the Reporting Period, we updated the *Letter of Commitment to Personal Information and Data Protection* to forbid the unauthorized disclosure of personal information to third parties by suppliers. Based on the Letter of Commitment, suppliers are required to build necessary data security capabilities, timely report security incidents and undertake liability for breach of the contracts. As of 31 December 2022, all suppliers of the Group signed the updated Letter of Commitment.

Paying special attention to the protection of minors' information and privacy, the Group clearly forbids the collection of personal information of any child under the age of 14 except for the purpose of providing services and with prior separate permission.



Quality Improvement

Fosun Tourism strictly abides by the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and other relevant laws and regulations in China, as well as relevant foreign laws and regulations applicable for our operation locations abroad. We have formulated and issued a series of policies such as the *Fosun Tourism Group Customer Service and Product Supervision Management Program*. We have established robust iCARE service management system. Focusing on customer experience, we thoroughly implement the customer service quality management system and product quality management standards to improve service quality.

Considerate Services

The customer-oriented Fosun Tourism is dedicated to delivering a new experience of recreational tourism for customers by keeping our customers as a top priority, listening to customers' needs, and providing consistent high-quality and high-standard customer services.

Service enhancement

Committed to improving customer satisfaction in all aspects, the Company has established the Customer Experience Department to take the responsibility of relevant work, including fully hearing customers' voice, cooperating with the whole industry to identify the troubles bothering our customers in travelling and taking quick actions. The implemented service enhancement and optimization plans have already brought positive results.



During the Reporting Period, we continued our efforts in improving services and launched innovative programs, such as customer service audit, proactively enhancing customer service quality.

Improving service quality

In 2022, we launched and steadily conducted audits on customer experience management system, including cultivating cultural value, sorting out the organizational structure, sorting out the work standards and rules, establishing measurable satisfactory indicators management system, and building customer voice management and extraordinary experience design system. During the Reporting Period, we reviewed Fosun Tourism's customer experience management systems for 7 industries to identify and correct the deficiencies of such systems, with relevant reports prepared. Moreover, we also plan to carry out in-depth inspections and complete correction accordingly in 2023.

In addition, the Customer Experience Department continued to hold creation workshops and trainings to empower the Group's business in various industries. Customer's profiles and their touch points in travel are collected from the perspective of customers, and then we seek opportunities in the pain points and expectations identified to provide them with extraordinary experience. During the Reporting Period, 12 workshops of totally 87 hours were organized, outputting 23 types of customer profiles.

Enhancement of customer satisfaction

Customer satisfaction has always been our driving force. We collect suggestions and opinions from customers through multiple communication channels and customer satisfaction surveys. We constantly evaluate our products based on customer feedbacks to upgrade customer experience.

During the Reporting Period, we conducted customer satisfactory investigation and analysis through multi-dimensional methods, including customer satisfactory questionnaire research, third party survey visit/audit and customer reviews instantly monitoring.

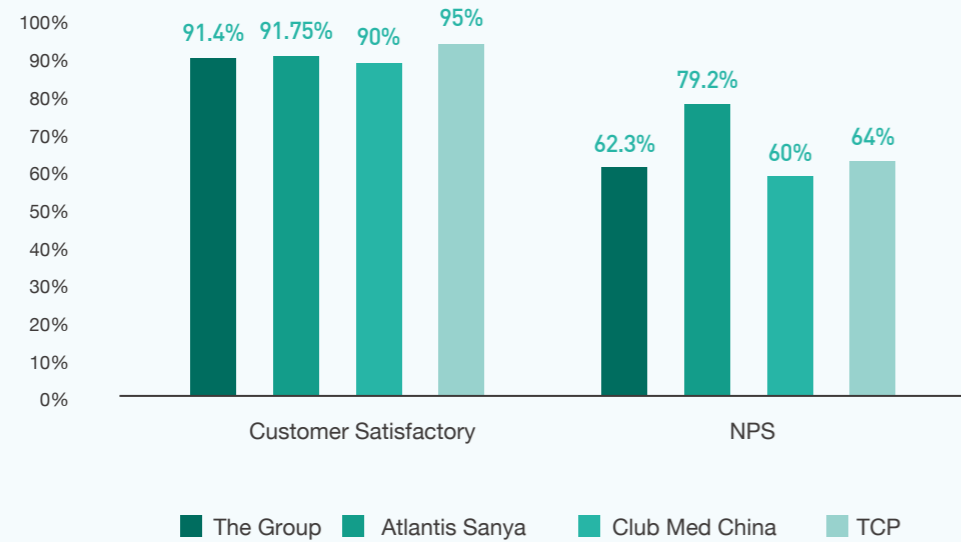
 <h4>Customer satisfactory investigation</h4> <p>We conducted customer satisfactory questionnaire research and collected 7,625 pieces of customer feedback in China through satisfactory data center, with an overall satisfaction rate⁴ reaching 91.4%. The Net Promoter Score (NPS)⁵ saw increase for 3 consecutive years, reaching 62.3%. The detailed results are shown in the figure below.</p> <p>In addition, the customers' ratings through Online Travel Agency (OTA) saw significant growth. Atlantis Sanya took the lead with a score of 4.84, while the average score of other projects was above 4.7.</p>	 <h4>Third party survey visit/audit</h4> <p>We invited a third party with extensive industry experience, to conduct monthly mysterious visitor audit on Taicang and Lijiang FOLIDAY Towns, inspecting every node on the entire sales line of the marketing cases. As of the end of the Reporting Period, Taicang FOLIDAY Town achieved an average score of 98.54 and Lijiang FOLIDAY Town achieved an average score of 96.42.</p> <p>We also engaged third parties for the annual satisfaction survey visit to quasi-property owners and new property owners of FOLIDAY Towns. Lijiang FOLIDAY Town project achieved an overall customer satisfaction rate of 100%, while Taicang FOLIDAY Town project achieved 78%.</p>	 <h4>Customer reviews instantly monitoring</h4> <p>We collaborated with third party Ipsos to instantly monitor our brands and products mentioned on social media, news and reputation platforms (such as Weibo, Xiaohongshu, TikTok, Sina, Ctrip, etc.). We evaluate the positive and negative reviews and reputational feedback of customers, identifying deficiencies and implementing targeted special rectification in a promptly manner to increase satisfaction. Atlantis Sanya, Club Med (China), TCP and Casa Cook International are included in this monitoring project.</p> <p>In 2022, there are more than 80,000 reviews on the Group and its subsidiaries, and the overall NSR⁶ reached 86.1%.</p>
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⁴ Customer satisfaction is scored on a scale of 1-5, with the lowest to highest scores being very dissatisfied, dissatisfied, neutral, satisfied, and very satisfied. Customer satisfaction rate= sample size of customers choosing 4 and 5 scores / total customer sample size.

⁵ Net Promoter Score (NPS) is calculated as (NPS)=(number of promoter/total number) ×100%-(number of non-promoter/total number)×100%

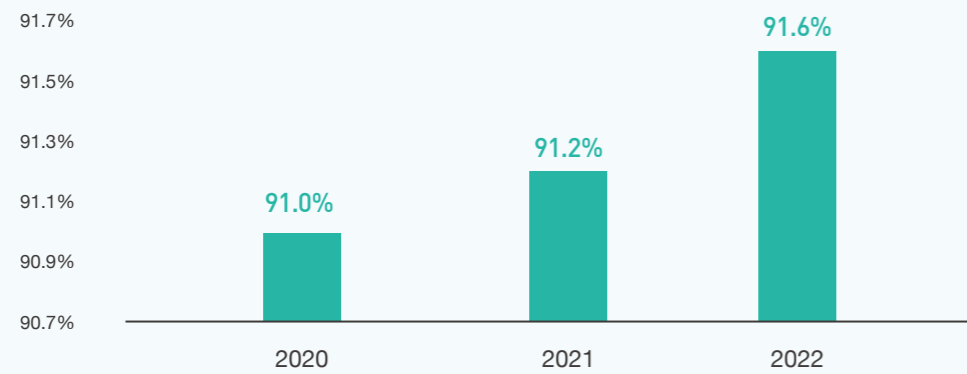
⁶ Net Satisfaction Rate (NSR) is calculated as NSR = (number of positive reviews – number of negative reviews)/(number of positive reviews + number of negative reviews)

2022 Customer Satisfactory Investigation Result



In addition, Club Med Global analyzed the global resort customer satisfaction index through customer satisfactory questionnaire (GM® Feedback) and Review Pro Platform. Club Med's comprehensive average score of Global Reputation Indicator (GRI) on Review Pro Platform increased year by year and the 2020 to 2022 trend is shown as below:

GRI Comprehensive Score Trend



Communication with customers

The Group values the communication with customers, and is committed to providing customers with diversified channels for communication. We have opened various channels like email and official website to collect customer complaints and feedback and ensure the proper handling of every customer complaint. During the Reporting Period, Fosun Tourism Group's customer service feedback channels received a total of 136 feedbacks of all kinds, with a year-on-year decrease of 20.47% in number of complaints compared to 2021, and the feedbacks were 100% handled and the average settlement time was no more than 48 hours.



Feedbacks from email

folidayts@fosunholiday.com



Feedbacks from official website



◎ Digital-driven

In July 2020, we launched the TCP, a C2M ecosystem-based platform that could directly connect to customer end. TCP presents to its members a host of Fosun Tourism-operated leisure tourism products including Atlantis Sanya, Club Med, Casa Cook International, Fanxiu Entertainment, Miniversity, Foryou Ski, FHOTO, and recommends global vacation and living goods to meet family users' "vacation + life" full-scenario needs, demonstrating its commitment to becoming a "bring greater happiness to global families" scenario-based one-stop life service platform and creating more value for customers.



Quality Protection

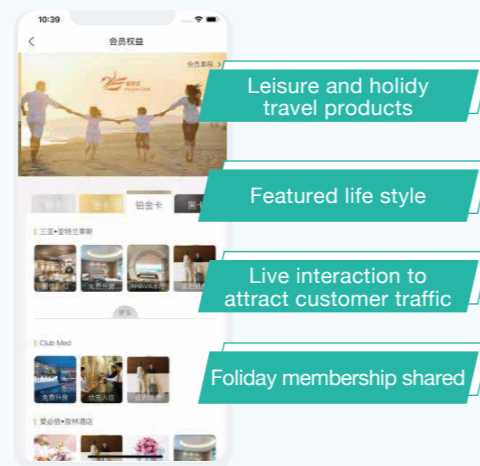
During the development of the FOLIDAY Town project, we paid extreme attention to its design, construction and delivery quality and endeavored to provide customers with high-quality products. We strictly abide by the *Product Quality Law of the People's Republic of China* and other laws and regulations, and have formulated an array of internal product quality management policies such as the *Fosun's Operational Guidelines for Management of the Quality and Progress of FOLIDAY Town Project*, so as to ensure that our customers are provided with safe, healthy and quality products.

During the Reporting Period, Taicang Alps International Resort project was awarded as the "Annual Cultural Tourism Project with Excellent Investment Value" of 22nd Golden Horse Awards of China and won the Jin Gang Award (Municipal Quality Project) of Shanghai Metal Construction 2021-2022.



Membership Loyalty Program

Our Loyalty Program includes global Club Med Great Member loyalty program and Foryou Club. Foryou Club has integrated members from our various brands in the Fosun Tourism ecosystem, including Atlantis Sanya, Club Med (Mainland China), TCP mobile application and other activities and services we provide. As of 31 December 2022, Foryou Club has accumulated approximately 5,720,000 members.



Acceptance standards

We have made stringent acceptance standards. Before accepting any building, we conduct acceptance inspections from customers' perspective through field inspection on product design, construction quality, delivery status and customer experience. For any deficiencies identified, we require timely rectification or plans, and closely follow up on the progress of rectification to strictly control the delivery quality.

Delivery process

In the light of the *Guidelines for Delivery of FOLIDAY Town Properties Held for Sale*, we have defined the responsible departments and their basic responsibilities, and established the workflows and various procedures regarding the handling of objections on property delivery, the processing of sporadic delivery and future sporadic delivery, etc. to control project delivery risks effectively. We have incorporated customer satisfaction on delivery into performance assessment to ensure quality services for customers during the delivery.

Responsible Cultural Tourism

Common Development

Relying on the industrial ecosystem, the Group pays close attention to the demands of villages, communities and cities. In collaboration with local villages and communities, the Group improves the design and development of cultural tourism products based on the original resources of villages and communities for mutual development, so as to actively contribute to rural revitalization and drive in-depth integration of urban and rural industries.

☉ Focusing on community demands

Taicang FOLIDAY Town incorporates the concept of promoting the integration of tourism and community into site selection planning and operation. Fully considering the demands of communities, we strive to create public spaces to meet people's needs for dining, shopping, entertainment, residence, travel and rest, and develop a tourist resort integrating landmark image, public art, entertainment experience and shared space.



Creating seamless transportation connections

During project designing and planning, we fully consider the adaptability to the surrounding transportation, striving to achieve seamless transportation connections and to ensure a proper walking distance from the bus station to the park. Walking corridors and bicycle lanes are also designed within the FOLIDAY Town. All functional buildings are connected in series via a two-story structure to facilitate accessing to each spot within the FOLIDAY Town.

Respect to ecology

Taking into account the existing waters and natural landscapes within the site, we adhere to the principle of respecting ecology, and organically integrate the planned buildings with them to create unique scenic spots for the FOLIDAY Town project.

Barrier-free inclusive design

Fully considering the safety and convenience of the disabled, the elderly, pregnant women, children and other social members, we arrange barrier-free facilities during project planning, including but not limited to the barrier-free passage and ramp.

☉ Supporting rural revitalization

We strive to promote local employment and local procurement, and our Club Med has made a commitment with regard to local employment and procurement. For example, we upgraded and refined infrastructures for local residents, such as gas pipeline and sewer system, during the construction of Lijiang FOLIDAY Town. For our efforts in rural revitalization, please refer to the [Supporting Local Community Development](#) section of this report.

Responsible Marketing

The Group believes that a sustainable future relies on the efforts of every person. Committed to responsible marketing and compliance, we actively circulate the philosophy of green life among our employees and customers, and have incorporated the idea of the responsibilities for biodiversity protection and animal care into our marketing activities. By doing so, the awareness of sustainable development is improved continuously, promoting the characterized culture of sustainable tourism of Fosun Tourism to thrive.

☉ Compliant marketing

In the light of the *Advertising Law of the People's Republic of China* and other laws and regulations applicable in China and overseas locations of operation, we implement the *Fosun Tourism Brand Handbook* to ensure that all advertising and marketing activities have go through internal review and are compliant. We do not conduct any false, misleading, fraudulent or unfair, unclear or ambiguous marketing. We strictly provide clear and complete information to customers, actively communicate necessary information with customers, and guide consumers to make rational consumption decisions. At the same time, employees' awareness of responsible marketing is enhanced through online and offline compliance training courses held on an irregular basis.

Marketing compliance training

On 15 February 2023, the Fosun Tourism Innovation and Leadership Center and the Legal Affairs Department jointly conducted the "Marketing Compliance Training" to enhance the risk aversion awareness of all employees and those in key positions in the marketing process. The training focused on issues concerning advertising law, data compliance and intellectual property rights in marketing. Employees from all marketing lines of Fosun Tourism participated in the training. Those courses were recorded and are available on the Company's online learning platform for all employees to watch and learn.

In addition, in February, July and December 2022, Atlantis Sanya conducted various trainings for all members of sales and marketing public relations teams, including "Training on Laws and Regulations for Advertising Compliance", "Resort Photography Compliance Training" and "Training for Compliance with the Resort Brand Use Standard". These trainings focused on the new advertising laws, the regulations and requirements for the portrait right authorization for resort employees/guests/models photography, as well as the regulation and requirements for the use of new and old logos, texts and graphics of resorts' brands.

Consumer awareness development

We strive to raise consumers' awareness of sustainable tourism throughout the process of service. We inform customers of environmental options and proper code of conduct before the service, and encourage them to choose green products and services in their consumption experience. Accordingly, we have launched a range of natural landscape and local culture exploration activities to let customers experience the positive impact of sustainable tourism.

Our main subsidiaries, Club Med Resorts and Atlantis Sanya, have environmental protection related promotional materials in their hotel rooms.

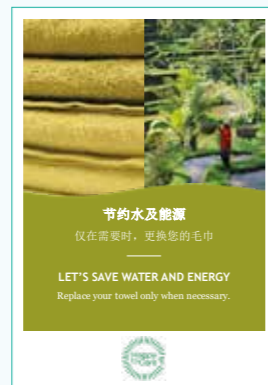
In addition to publicity of environmental protection, we share with consumers more information and practice guidance with respect to sustainable tourism, encouraging them to take actions with us to address global climate change.

Promotion of sustainable behavior

In Atlantis Sanya, reminders are visible in the electronic displays in the hotel lobby and placards in rooms, encouraging customers to reuse towels and other toiletries, save water and minimize waste generation. Moreover, we promote the sustainable tourism philosophy of rejecting disposable supplies to customers through the page of every booking platform.

Club Med reminds customers on every booking platform that hotels generally do not provide disposable plastic supplies in the light of the "Bye-Bye Plastics" policy. Information boards and cards are visible in Club Med's resort rooms, outlining the actions taken by the resort for water, energy and waste management and biodiversity conservation. Moreover, customers are encouraged to take environmental protection actions during their stay in guest rooms or other eco-certified areas to raise their awareness of water and energy reservation and environmental protection.

We take active steps to inform consumers the proper code of conduct. For example, Club Med provides guidance to protect children from sexual exploitation to consumers in some countries before their trips. For the detail of this program, please refer to the section *Caring for Children* of this report.



Club Med Sustainable Concept Delivery Poster



Promotion of "Zero Waste, Joyful Life" by Atlantis Sanya

Low-carbon practices

Club Med has been offering its customers, through its commercial website, travel-related carbon emissions offset program since 2008. During the Reporting Period, Club Med continued to push forward the program, providing customers with more detailed information. Meanwhile, Club Med is considering diverse levers to reduce the carbon intensity of the stays and packages. For example, it offers packages such as replacing travel by air with travel packages by train when possible, thus helping customers choose greener products and services of low-carbon.

Club Med was able to join the "Red Flower Program", conducted by the giant of internet, Tencent, thanks to its worldwide environmental in-room practices that allow customers to choose green and low-carbon stay choices, including not replacing bedding sets and bath towels, reducing disposable supplies, etc. In addition, posters are visible in the rooms to advocate low-carbon and environmental protection behavior, encouraging customers to contribute to the reduction of plastic and carbon emissions.

In addition, Club Med is committed to providing customers with diets good for health and environment. The restaurants have been offering customers with vegetarian and other options since 2018. After rolling out its Healthy program, Club Med has committed to offering vegetarian options at all meals and in all restaurants. In 2022, Club Med launched new plant-based menus in its eight resorts in the Caribbean and Mexico. These menus were developed in collaboration with renowned vegan chef Chloe Coscarelli.





We designed and integrated various environmental awareness campaigns into our travel business to raise customer's awareness of sustainable living along their journey.

Since 2014, Club Med has set up "Educational Vegetable Garden" in several resorts across the world, where children and their parents can explore local plants or products. As of the end of the Reporting Period, the program had been carried out in a number of resorts, including those in Indonesia, Maldives, Malaysia, China, Dominican Republic and Seychelles.

Club Med resorts provide customers and employees with experience of "Green Activities", including "Discovering nature: educational paths and walking tours" and treasure hunt game on "Club Med Play" APP. Club Med has made a commitment that 50% of its resorts will carry out "Green Activities" by 2025 and 100% by 2030.

"Educational Vegetable Garden" of Club Med

"Green Activities" of Club Med

Dolphin Cay of Atlantis Sanya

Turtle Rescue by Atlantis Sanya

Science popularization and education publicity activities (including interpretation in science popularization corridor, exhibition on animal care in dolphin area, exhibition on free socialization of sea lions, and zoo psychological and ethological games) have long been carried out on the Dolphin Cay of Atlantis Sanya to raise customers' knowledge of marine mammals and raise their awareness of animal protection.

Atlantis Sanya set up a turtle rescue and rehabilitation team in 2019. Customers are invited for turtle-themed activities every year, gaining knowledge on biodiversity and marine conservation.



"Respect to the Ocean, Return Turtle to Nature"

On 23 May 2022, the World Turtle Day, Atlantis Sanya held an event with the theme of "Respect to the Ocean, Return Turtle to Nature". The green sea turtle and hawksbill turtle rescued by the hotel turtle rescue team in 2020 returned to the ocean after a year of treatment and recovery. Marine biology experts and hundreds of customers witnessed the turtles' homegoing journey. By doing so, we demonstrated our efforts on protecting biodiversity and raised customers' awareness of biodiversity and marine conservation.



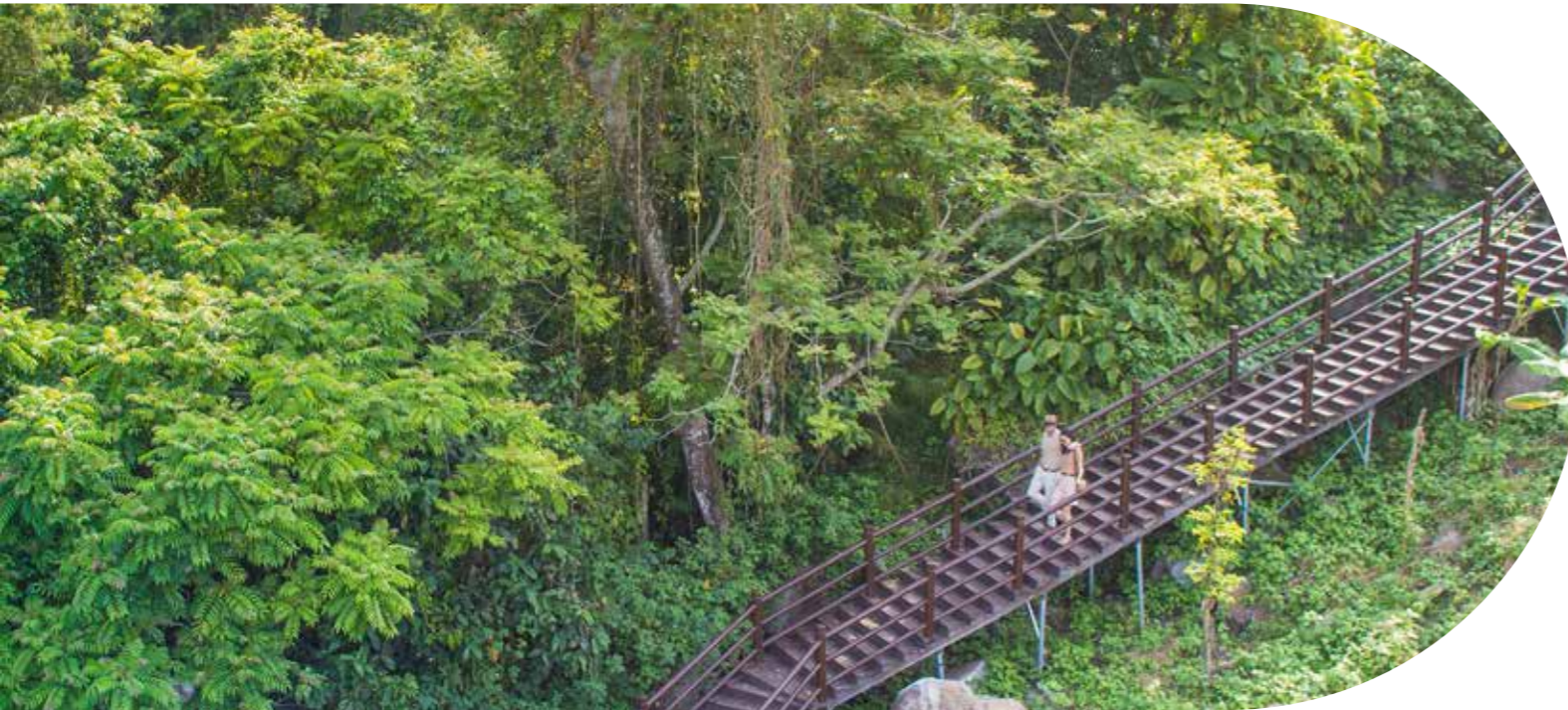
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Care for the Earth

As one of the world's leading tourism conglomerates, Fosun Tourism is deeply aware of its responsibility for protecting environment and ecology, and minimizing the impact of its operations on the environment. We focus on protecting the finite resources of earth and contribute to building sustainable cities and communities through improving environmental management system, raising the environmental awareness of our employees and customers, actively addressing climate change and deploying innovative plans.

- 67 ENVIRONMENTAL COMMITMENTS AND MANAGEMENT POLICIES
- 71 ENVIRONMENTAL AWARENESS IMPROVEMENT
- 72 CLIMATE CHANGE AND ENERGY
- 84 WATER RESOURCE UTILIZATION
- 90 ECOLOGICAL PROTECTION
- 96 EMISSION MANAGEMENT





Environmental Commitments and Management Policies

Environmental Commitments

Deeply aware of the increasingly severe environmental issues, the Group strictly abides by the environmental laws and regulations applicable to our business operations to improve the environmental performance. The Group and its subsidiaries and operating locations have formulated appropriate guidelines and policies by the scale, location and nature of business. In addition, we will continue to oversee and evaluate our environmental performance, risks and the efficiency of the policies and measures we have taken.

Management Policies

The Group strictly follows the *Environmental Protection Law of the People's Republic of China*, the *Environmental Protection Tax Law of the People's Republic of China* as well as the laws and regulations for environmental protection of the places where the operations involve. The EHSQ Department of the Group is responsible for overseeing the implementation and progression of environmental efforts of the Group as a whole. We further undertake management responsibilities by establishing the environmental management responsibility mechanism. Moreover, every subsidiary has established its EHS committee for overseeing the implementation of EHS work and holding monthly EHS meetings to discuss EHS-related issues. As of the end of the Reporting Period, the Group had 36 persons engaged in EHS work (including the management personnel of EHS committee).

We constantly improve environmental management system and during the Reporting Period, we revised relevant documents such as the *Fosun Tourism Group EHSQ Policy* to further improve our environmental management. During the Reporting Period, the Group had no significant violations of relevant environmental laws and regulations.

Project lifecycle management

The Group established cooperative relations with the stakeholders and implemented the concept of lifecycle in every stage of projects, including investment planning, asset design and construction, and business operations. In 2022, we further strengthened the requirements for the energy conservation and environmental protection in the project design phase by setting requirements for the electromechanical design, including using more environmentally-friendly and renewable materials, adopting variable-frequency or intelligent control for electromechanical equipment to lower energy consumption, and purchasing equipment with energy recovery devices.

Project Lifecycle Management Method

Investment Planning

- Project selection**
 - Engage environmental consultants to conduct field survey on environment, assess the environmental impact of the project and develop efficient measures to eliminate and mitigate the adverse impact
- Enterprise survey**
 - Pay attention to enterprises' measures and potential risks with respect to environmental and social issues
 - Prioritize the partners with better ESG performance (e.g., environmental protection, employee care, social contribution, etc.)

Asset Design and Construction

- Green Building**
 - Design energy-saving and environmentally-friendly hotels based on internationally recognized green building standards (e.g. Club Med has made a commitment that all new or deeply refurbished resorts are subject to eco-certification in accordance with BREEAM construction standards)
- Low impact development**
 - Adhering to the principles of "development under protection" and "protection under development", conduct low impact and fine-grained development and strictly implement the environmental assessment system
- Responsible procurement**
 - Prioritize the procurement of sustainable materials and closely monitor resource consumption to minimize unnecessary procurement.

Business Operations

- Environmental management**
 - Corresponding environmental management departments, and the responsibility and reward and punishment mechanism for energy conservation and emission reduction have been established in the course of business operations (e.g., Atlantis Sanya has set up an energy conservation and emission reduction group, while Club Med resorts have established technical departments)
 - Conduct environmental management during business operations in accordance with the internationally recognized standards of sustainable tourism
 - Conduct real-time monitoring of environmental impact during the business operations by virtue of environmental management platforms and digital tools (e.g., the energy monitoring platform of Atlantis Sanya, Club Med Tech Care data collection tool, etc.)
- Advocate sustainable tourism:**
 - Roll out eco-environmental publicity activities for employees, customers and partners

Building green FOLIDAY Town

- Taicang indoor ski resort is designed in accordance with the national standards of one-star green building. The two-stage refrigeration system is applied for snowmaking to reduce the energy consumption of cooling in winter, while the independent fresh air system is adopted to cool down indoor ambient temperature by outdoor air. Moreover, we also put into use the refrigerator waste heat recovery system and rainwater recycling system, as well as the high-efficiency and energy-saving equipment, making the energy consumption of ski resort operation lower than the industry average;
- In terms of the design of Club Med Joyview Taicang Resort, the lighting, transformers, air conditioners, bathroom and other equipment with high-efficiency are adopted, while the rainwater recycling system is in place to collect rainwater for plant watering and road cleaning after treatment. The energy conservation rate has reached 65% by adopting the solar water heating system and power generation system and applying intelligent blowers and exhaust fans in the underground garage, All these efforts help the resort obtain the National Certificate of Two-star Green Building Design;
- In addition, we take into consideration the carbon neutrality target in the design and development of the discovery park of our Taicang FOLIDAY Town. At present, the project is under the feasibility study on carbon-neutral building. The project aims to achieve carbon neutrality by increasing the utilization rate of renewable energy, the green rate and the utilization rate of green building materials.

Environmental Performance of Foliday Town

	2021	2022
Total water consumption (m ³)	206,975	109,350
Total energy consumption (m ³)	5,156	738
Greenhouse gas emissions - Scope 1 (Tons)	57	26.73
Greenhouse gas emissions - Scope 2 (Tons)	3,087	442.74
Total greenhouse gas emissions - Scope 1 + Scope 2 (Tons)	3,144	469.48
Greenhouse gas emission intensity (by building area) (Kg/m ²)	6.41	7.70

Note

In 2021, the environmental performance data includes Taicang Foliday Town and Lijiang Foliday Town and in 2022, only Taicang Foliday Town is included, so the data are not comparable to previous years.

Green certification

The Group has set a target and made commitment to obtain BREEAM or LEED(silver) or other equivalent certifications for all newly-constructed resorts, and obtain/renew Green Globe⁷ or EarthCheck, Green Hotel certification, etc. for all resorts in operation.

Tracking of progress for 2030 sustainable development goals

Goals

- 100% new resorts get or obtain a BREEAM or LEED (silver) certification or equivalent
 - 100% operating resorts get or keep GreenGlobe/EarthCheck /Green Hotel or equivalent
- 2022**
- 65% of newly opened Club Med resorts are certified or in the process of being certified since 2018
 - 18% of the Club Med's hotel portfolio has obtained a certification for construction or design (25% including those pending certification)
 - 97% of eligible⁸ Club Med resorts are Green Globe certified; Atlantis Sanya was awarded "China Five-leaves Green Hotel" and obtained EarthCheck silver certification for three consecutive years (including the Reporting Period)

As of the end of the Reporting Period, most of our hotels and resorts have received a range of sustainable tourism or green building certifications including BREEAM , Green Globe, EarthCheck, National Green Building, and US LEED Green Building Certification.

Atlantis Sanya	Three-Star Green Building Design and Operation Certification, the highest level of Chinese green building certification, issued by the Chinese Society for Urban Studies LEED(Gold) Building Design and Construction Certification issued by the U.S. Green Building Council EarthCheck silver certification in the leading environmental certification and benchmarking program for the global tourism industry National Quality Engineering Award issued by China Association of Construction Enterprise Management China Five-leaves Green Hotel Certification
Club Med	65% of Club Med's new buildings since 2018 are certified or in process of obtaining the certification such as BREEAM, LEED or equivalent In 2022, 2 resorts obtained Green Globe certification. 97% of eligible resorts had obtained Green Globe certification by the end of 2022
FOLIDAY Town	FOLIDAY Town Taicang Alps International Resort received a Certificate of Green Building Design Label (Two-Star) FOLIDAY Town Lijiang Mediterranean International Resort received a Certificate of Green Building Design Label (Two-Star)

⁷ The Green Globe certification has indicators covering the entire corporate social responsibility process of sustainable tourism. The certification verifies energy and water conservation, waste management, pollution risk control, biodiversity conservation of the operating locations and the existence and effectiveness of ecological procurement policies in the environmental context.

⁸ Eligible resorts include all resorts between one year after opening and two years before closing.

Environmental Awareness Improvement

The Group believes that environmental protection relies on the efforts of every person, and actively raises employees' awareness of sustainable development. By conducting trainings on environmental protection awareness, the Group encourages the employees of its hotels and resorts to practice the philosophy of sustainable development in their lives and work, and also help them communicate with consumers in a more persuasive and effective manner for sustainable tourism products and services.

Environmental awareness training for employees in Atlantis Sanya

To create a cultural of caring for the nature and protecting the environment, we have made it mandatory for the newly recruited staff to learn the basic knowledge about environmental protection and complete the test through the online program "Earth Evaluation" hosted by Academy V. In the meantime, we have also accepted the online one-hour courses including the "Energy Conservation and Emission Reduction

Awareness" and the "Environment, Health, Safety and Quality Culture". As 31 December 2021, the completion rate of all courses reached 100%.

Atlantis Sanya also launches online courses for employees every year, such as "Waste Sorting" and "Creation of Zero-waste Hotels", and the completion rate of such courses was 100% during the Reporting Period.

In addition, various departments of the resorts have organized relevant training sessions (e.g. carbon peaking, carbon neutrality and climate change), promoting green office, energy and electricity saving, the use of non-disposable supplies and environmental protection activities such as beach cleaning.

Environmental awareness training for employees in Club Med

In all Club Med resorts certified by Green Globe, all GO® and GE are trained on environmental issues and eco-friendly behavior related to their position and resort life, including but not limited to waste sorting, ecological protection, "Happy to Care" and "Bye-Bye Plastics" programs. Moreover, many resorts initiate or support local projects engaging employees in environmental protection such as Beach Clean-ups, Protection of Sea Turtle Eggs and Coral Reef Preservation.

We also actively raise customers' awareness of sustainable development. For more information on customer practices, please refer to the section [Responsible Marketing](#) of this report.

Climate Change and Energy

The Group believes that environmental protection relies on the efforts of every person, and actively raises employees' awareness of sustainable development. By conducting trainings on environmental protection awareness, the Group encourages the employees of its hotels and resorts to practice the philosophy of sustainable development in their lives and work, and also help them communicate with consumers in a more persuasive and effective manner for sustainable tourism products and services.

Tracking of progress for 2030 sustainable development goals

Goals

- Reduce carbon intensity by 40% (GHG scope 1&2) by 2030 (2019 baseline)
- Reduce energy consumption intensity by 30% by 2030 (2019 baseline)
- Achieve a maximize of renewable energy

2022 progress

- Compare to 2019, GHG emission intensity (scope 1&2) increased by 7% (by hotel night sold) and increased by 14% (by revenue)
- Compare to 2019, energy consumption intensity increased by 19% (by hotel night sold) and increased by 27% (by revenue)
- 19% of all electricity consumed in Club Med Resorts comes from renewable sources (EDF green certificates and photovoltaic electricity either produced in villages or purchased) and 46% of its villages uses electric vehicles

In 2022, there were frequent extreme natural disasters arising from climate change, such as extreme heat, drought, rainstorm and flood, and the Group became aware of the importance in addressing climate change. We take active steps to improve climate governance capability, develop strategies for mitigating and adapting climate change, improve climate-related risk management and enhance the disclosure of our climate-related information. We have established the ESG Committee to review and evaluate climate risks to actively coper with barriers posed by climate change, contributing our efforts for the achievement of "Carbon Peaking and Carbon Neutrality" and the targets under the *Paris Agreement*.

The Group has established the energy conservation and carbon reduction target of "Reduce carbon intensity by 40% (GHG scope 1&2) by 2030 (2019 baseline), Reduce energy consumption intensity by 30% by 2030 (2019 baseline), and Achieve a maximize of renewable energy", to reduce its impact on climate change and strength climate resilience.



Addressing Climate Risk

The Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) in 2015. The TCFD aims at developing uniform guidance for enterprises to disclose climate-related financial risks, to facilitate listed companies' reporting on their exposure to climate-related risks to investors and other stakeholders.

During the Reporting Period, based on our former climate related risk assessment in accordance with TCFD recommendations as well as latest climate models and data, policies and market conditions, technology development trends, etc., the Group further updated Fosun Tourism's list of physical risks⁹ and transition risks¹⁰ related to climate change through data collection, risk identification and risk assessment, to comprehensively improve our risk management.

We plan to further strengthen and improve management strategies and preventive measures to cope with the impacts of climate change.

List of Climate-related Risks of Fosun Tourism					
Climate change risk (Level I)	Climate change risk (Level II)	Climate change risk (Level III)	Risk description	Financial impact	Responding initiatives
	Policy and law	Increase of price of greenhouse gas emissions Government authorization and regulation on existing products and services	Governmental authorities of certain countries have issued taxes aimed at encouraging enterprises to reduce greenhouse gas emissions and energy consumption (including France and Mexico) Fosun Tourism should bear the compliance cost and potential liabilities for requirements under laws and regulations of certain countries in relation to environment, health and safety, including storage and disposal of toxic/harmful substances and penalties caused by lack of some certificates	Increase in operating costs (such as tax payment for carbon/environmental protection, compliance costs and insurance fees increase, etc.) Decrease in the composition of net operating revenue	Low-emission alternative energy sources: 1. set targets for increasing the use of renewable energy and reducing their own dependence on fossil fuels 2. purchasing certified renewable energy 3. equipping resorts with photovoltaic panels, solar thermal panels, heat and cold recovery installations, heat pumps
Transitional risk	Technology	Replacement of existing product services with lower emission products and services	Given the enterprise size of Fosun Tourism, the supply of sufficient alternatives which comply with requirement may be challenge	Costs on implementing/deploying new practices and processes	Transformation into a more efficient building: International/ nationally recognised green building related certifications and the development and adherence to internal standards for these certifications such as LEED, BREEAM, National Green Building Certification etc. The sustainability/ efficiency of buildings that meet the relevant certification standards will continue to effectively reduce operating costs Enabling the value of new products and services: Integrating climate change elements into product development and service processes to improve the resilience of new products and services to climate risks, and to enhance brand value and operating income through new products and services Innovative low-emission products and services: Continuously explore and use advanced technologies and equipment to provide innovative solutions, such as innovative LED lighting for outdoor tennis court design, high-temperature heat pumps for sanitary hot water production instead of fuel systems, and digital solutions and management systems to effectively reduce operating costs

⁹ Physical risks: acute risks from extreme weather and chronic risks from long-term changes in climate model.

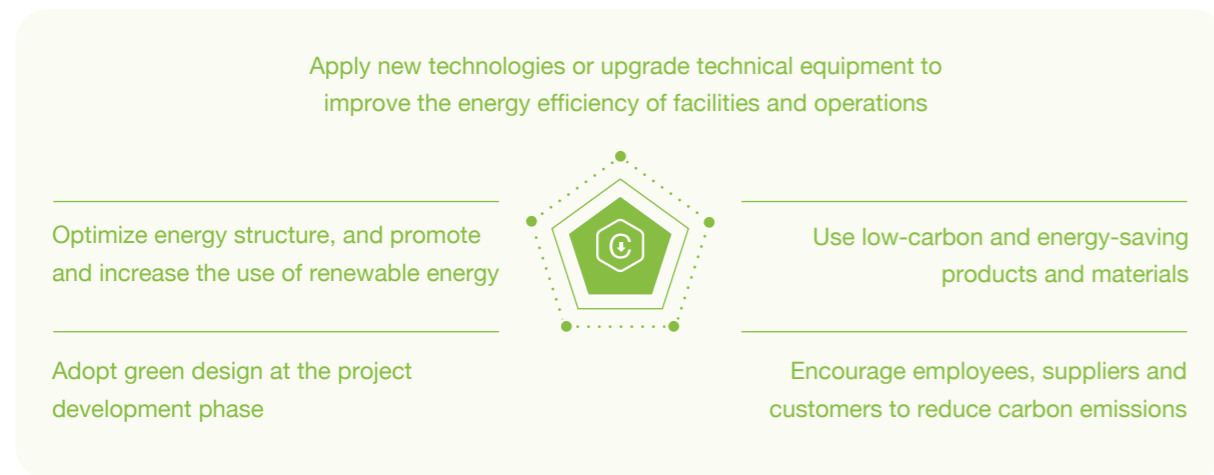
¹⁰ Transition risks: risks from the future evolution of climate policy, technological innovation, market prospects, customer awareness and government programs during the transition to a low-carbon economy.

List of Climate-related Risks of Fosun Tourism

List of Climate-related Risks of Fosun Tourism					
Transitional risk	Market	Change of customer behaviors in green consumption	With travelers' rising environmental awareness and the public and stakeholders' less focus on reducing its carbon footprint by the Company	Reduction in demand for service due to change to customers' preference	Responding to the changing needs of the market (e.g. resorts/hotel buildings that comply with and have various internationally recognised green building certifications, in terms of energy, water and waste reduction) Adjusting its competitive direction and positioning, upgrading strategic partnerships and expanding into the tourism market: taking into account the changes in the market and the shift in consumer habits, it will create value for the transformation and upgrading of the tourism industry through product innovation and service upgrades to meet the needs of urban families for work and leisure holidays, and building the Fosun Tourism ecosystem
	Reputation	Enhanced attention/negative feedback of the stakeholders	Changes in ownership / management, accidents or injuries, natural disasters, crimes, negative events of guests and other similar situations may damage the reputation of Fosun Tourism, and the relevant adverse publicity will cause customers to lose confidence	Declining demand for holiday services Decline in service and reception capacity (closing and delayed opening of resorts / hotels)	Fosun Tourism needs to demonstrate its commercial sustainability in the event of a major event such as the above
Physical risk	Acute	Increased severity of extreme weather events such as typhoons, floods and droughts	More Frequent and severe extreme weather events will increase the risk of property damage (e.g. facilities and equipment) May disrupt the food supply chain and affect the ability to serve customers Can have an impact on biodiversity around operations May increase the cost of associated insurance or make insurance difficult to obtain Also, prolonged closure of the resort/ hotel would reduce revenue	Reduced revenue due to reduced sales/reception capacity Increased operating costs (e.g. increased costs of stabilization and maintenance of facilities, increased food procurement costs, increased biodiversity conservation and restoration costs)	Strengthen infrastructure: actively integrate climate change elements into the design, construction and operation of resorts/hotels, especially in locations where operations are vulnerable to climate risks, in order to recover quickly from extreme weather such as floods and hurricanes, further enhancing the stability of the company's operations and avoiding loss of economic value
	Chronic	Rising sea level	Partial resorts and tourist destination (Sanya) are located in coastal areas and are vulnerable to sea level rise	Decrease in operating income due to sea level rise affecting normal operations	
		Shortage of ice and snow resources caused by rising average temperature	Some of Fosun Tourism's resorts are ski resorts, and the shortage of snow and ice resources manifests itself in shorter snowfall and snow accumulation periods, which can affect the normal operation of ski resorts and increase the operational burden of resorts and tourist destination	Reduced revenue due to lower sales/reception hours. Increased operating costs (e.g. increased energy usage, increased investment in facility and equipment improvements, adoption of artificial snow enhancement measures, etc.)	

Energy Conservation and Carbon Reduction

The Group strictly abides by the *Energy Conservation Law of the People's Republic of China* and other energy-related laws and regulations in places where it operates, and formulates the *Climate Change and Energy Policy*. The Group and its subsidiaries always encourage efficient energy utilization to reduce its operating carbon footprint and contribute to mitigating global warming. As our carbon emissions are mainly derived from indirect energy consumption in our business operations, we reduce the carbon emissions generated from our assets under management and business operations in the following ways:



The Group's Scope 1 and Scope 2 GHG emissions in 2022 are as follows:

Greenhouse Gas Emission				
Category	Unit	2022	2021	2020
Scope 1 GHG Emissions	Tons of carbon dioxide equivalent	78,546	74,777	37,855
Scope 2 GHG Emissions	Tons of carbon dioxide equivalent	133,084	118,047	127,456
Reduced GHG Emissions	Tons of carbon dioxide equivalent	/	15,139	/
Total GHG Emissions	Tons of carbon dioxide equivalent	211,630	177,685	165,311
GHG Emission Intensity (by bed capacity)	Kg carbon dioxide equivalent/bed	15.98	19.77	22.20
GHG Emission Intensity (by hotel night sold)	Kg carbon dioxide equivalent/night	30.08	42.78	44.51
GHG Emission Intensity (by revenue)	Kg carbon dioxide/RMB 10,000 of Revenue	153.60	191.85	234.14

Note:

((1) Based on operating characteristics, our GHG emissions is composed mainly of carbon dioxide, which include the direct GHG emissions (Scope 1) released from fuel combustion, added with energy indirect GHG emissions (Scope 2) from purchased electricity and purchased heat. Total GHG emissions include all Club Med resorts and Atlantis Sanya (Waterpark, Show C Theatre, hotel, shopping street and Aquarium) of Fosun Tourism.

(2) GHG emissions contain only carbon dioxide and are presented in carbon dioxide equivalent. According to the sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change, the global warming potential of carbon dioxide is 1. Based on the characteristics of the industry, Sanya Atlantis's GHG emissions are calculated by referring to the Guide of Accounting and Report of Greenhouse Gas Emissions of Public Building Enterprises released by the NDRC, the average carbon dioxide emission factors of grid in China or the IEA 2017 database. Club Med's GHG emissions are calculated by referring to GHG Protocol, and emission factors from the French Agency for Ecological Transition (ADEME), French carbon calculator Bilan Carbone, DEFRA (for transport) and IEA (for electricity by country) databases.

(3) GHG emission reductions mainly represent the participation of Atlantis Sanya, a subsidiary of the Company, in a forestry carbon sink project in Le'an County, Jiangxi Province to purchase and write off Verified Carbon Units (VCUs) based on international Verified Carbon Standard to complete the carbon neutralization of a total of 15,139 tons of Scope 1 and Scope 2 GHG emissions generated from 1 April 2021 to 30 June 2021.



The Group commenced the disclosure of other indirect GHG emissions (Scope 3) data in the Reporting Period. The Group's Scope 3 GHG emissions in 2022 are as follows:

Category	Unit	2022
Employee business flight travel	Tons of carbon dioxide equivalent	17,804
Shuttle bus arranged for employees	Tons of carbon dioxide equivalent	42,440
Purchased municipal water	Tons of carbon dioxide equivalent	2,173
Sewage discharged to municipal pipe network	Tons of carbon dioxide equivalent	2,904
Travel of customer carried by the Group	Tons of carbon dioxide equivalent	478,406
Food purchases	Tons of carbon dioxide equivalent	169,748
Other purchases of goods and services	Tons of carbon dioxide equivalent	69,924
Fuel and energy related emissions	Tons of carbon dioxide equivalent	37,114
Waste generated in operations	Tons of carbon dioxide equivalent	10,436
Total Scope 3 GHG Emissions	Tons of carbon dioxide equivalent	830,949

Note:

- (1) Employee business flight travel include the travel of employees of Fosun Tourism's headquarters and Club Med;
- (2) Shuttle bus arranged for employees, purchased municipal water and sewage discharged to municipal pipe network includes statistics of Atlantis Sanya and Club Med;
- (3) Travel of customer carried by the Group, food purchases, other purchases of goods and services, fuel and energy related emissions, waste generated in operations include only statistics of Club Med.



The Group actively encourages its major subsidiaries to set their respective emission reduction targets to facilitate the early achievement of the Group's targets. Among them, Atlantis Sanya took the lead in setting the carbon neutrality target to achieve net-zero emissions of Scope 1 and Scope 2 GHG by 2040, to drive the hotel industry to achieve the national targets of "Carbon Peaking and Carbon Neutrality".

Atlantis Sanya, leader of low-carbon hotels

Atlantis Sanya has adhered to the design concept of green development from the beginning of its design, and fully incorporated the concept of "Ecology and Sustainability" into the life cycle of building to endeavor to build up green, ecological, environmental and sustainable resorts in modern times. It has obtained the National Certificate of Three-star Green Building Design and Operation Label, LEED(gold) Certification issued by the U.S. Green Building Council, Green Globe silver certification, "China Five-leaves Green Hotel", "Water-saving Hotel in Hainan Province" and other honors and awards. It won the EarthCheck silver certification and other honors in 2020, 2021 and 2022, setting a new benchmark for domestic sustainable development.

Atlantis Sanya has set clear targets and roadmap for emission reduction:

By 2030

By 2030, reduce the intensity of Scope 1 and Scope 2 GHG emissions by 50% compared to 2019 and strive to reduce Scope 3 carbon emissions

By 2040

Achieve net-zero emissions of Scope 1 and Scope 2 GHG by 2040

In 2022, the intensity of Scope 1 and Scope 2 GHG emissions of Atlantis Sanya decreased by 9% by hotel night sold and decreased by 0.3% by revenue compared to 2019.

During the Reporting Period, Atlantis Sanya made progress in energy conservation and emission reduction work, and further optimized management in energy consumption and GHG emissions through technological innovation, technological investment, equipment optimization, and employee awareness enhancement.

Improve energy efficiency

Formulate the optimal energy-saving SOP, optimize equipment operation strategy and regularly maintain and upgrade technical equipment. Moreover, reasonably schedule the existing system as needed to ensure the best energy-saving performance of the system

Use the energy monitoring platform to timely adjust energy-saving measures and optimize the performance of energy efficiency

Utilization of renewable energy

Promote the use of photovoltaic power generation

Purchase green power and low carbon power

Improve the solar water heating system and enhance the heating efficiency of the system

Carbon Offsets

Afforestation
Participate in voluntary emission reduction projects to offset Scope 1 and Scope 2 GHG

Strengthen the energy-saving awareness of all employees

Incorporate energy conservation and emission reduction training into new employee training courses

Establish the accountability system and reward and punishment mechanism for energy conservation and emission reduction to link the results of energy conservation with the performance and bonus of relevant responsible persons

In 2022, Atlantis Sanya innovated a range of energy-saving measures to further reduce energy consumption and GHG emissions, including laundry hot water recovery, syringe pump modification of the ozone injection system, cold energy recovery from the overflow of beluga pool, variable-frequency air blowing in kitchens and amusement park locker room air source heat pump.



Laundry Hot Water Recovery



Syringe Pump Modification of Ozone Injection System

In the future, Atlantis Sanya will continue to make renovation and explore alternatives for energy conservation, emission reduction as well as clean energy. Besides, efforts will also be made to raise carbon neutrality awareness among employees and customers, and the scope of carbon emission accounting and carbon neutrality will be extended further to the upstream and downstream of the industrial chain. Atlantis Sanya strives to achieve its targets of emissions reduction and carbon neutrality and actively promotes the industry in energy conservation and carbon reduction.

Club Med's journey to reduce carbone emissions

2006

In 2006, Club Med did the first Life Cycle Assessment (LCA) to estimate GHG emissions and other environmental impacts of its activities in a scientific and effective manner. It was the first player in resort hotel industry industry to conduct LCA.

2018

Club Med has started to work on science-based carbon targets since 2018, to assess the feasibility of being in line with the *Paris Agreement's* commitment of "holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 °C above pre-industrial levels". It completed the survey and accounting for Scope 1 and Scope 2 GHG emissions in 2018.

2019

In 2019, it defined what would be SBTi (Science Based Targets initiative) compatible trajectory.

2021

In 2021 and 2022, it improved its carbon footprint calculation tools and developed a simulator to emulate different scenarios, thus facilitating reflection and decision-making.

2022

In 2022, with the audit and support from EDF (Électricité de France), Club Med began to define the methods for bringing French villages into compliance with the *Tertiary Sector Decree of France* (-40% energy by 2030, -50% by 2040 and -60% by 2050). These studies will also feed into the work of refining an operational definition of a decarbonisation trajectory (scope 1+2) for Club Med, which was initiated in 2022 and will be continued in 2023.

In addition, all French sites (offices and villages) have submitted their plans to reduce energy consumption for the winter of 2022-23, in accordance with the target set for companies by the French government.

Club Med implemented GHG emissions reduction plans in the selection, construction and operation of all resorts by:

Improving energy efficiency

Reducing energy needs:

- Increase energy efficiency of new resorts and renovated resorts through strong insulation of the building envelop, especially for mountain resort, efficient production equipment (heat/cold/air treatment) and energy monitoring equipment

Regularly upgrading facilities:

- A refurbishment program was launched for the energy facilities of all resorts in China in 2022, scheduled to be completed by the end of 2023, which is expected to reduce energy consumption by 15% and GHG emissions by 20%.
- During the Reporting Period, many resorts across the world upgraded the domestic hot water pipeline system, and adopted high-performance thermal insulation materials, building management system (BMS) and heat pumps.

Using renewable energy

Club Med continued to promote the schemes of using renewable energy, and by the end of the Reporting Period:

- 19% of all electricity consumed by resorts came from renewable sources (EDF green certificates and photovoltaic electricity either produced in resorts or purchased)
- 12% of resorts were equipped with photovoltaic panels (16,700 sqm) (2021: 11%)
- 24% of resorts (2021: 22%) were equipped with solar thermal panels (4,180 sqm) meeting an average of 25% of resorts' hot water demand
- 32% of resorts were equipped with refrigeration heat recovery units (2021: 28%)
- 24% of resorts were equipped with heat pumps

Other energy saving and carbon reduction measures

Reducing GHG related to logistics and goods transportation:

- Prioritize local procurement;
- Optimize the product delivery portfolio within certain region;
- Set and evaluate transportation suppliers' performance of emissions;
- Work with suppliers to minimize packaging by collective provision of products

Reducing GHG related to food:

- Promote vegetarian food and agroecology
- Minimize food waste

Reducing GHG related to refrigerant gases:

- In 2022, 26% of resorts across the world use HFO (hydrofluoroolefin), a more environmentally-friendly refrigerant.

Raising customers' awareness:

- 18,000 publicity posters were placarded at resorts in 2022

Promoting carbon offset

GM® and GO® transportation policy:

- Work with environmentally responsible companies; propose alternatives to road transportation for all resorts accessible by train, build new resorts to shorten travel distance, such as Joyview in China; seek to maximize occupancy on its charter flights, and encourage longer stays.

Water Resource Utilization

The Group's energy consumption in 2021 is as follows:

Energy Consumption				
Category	Unit	2022	2021	2020
Direct Energy Consumption	MWh	206,912	190,946	107,631
Indirect Energy Consumption	MWh	321,356	256,759	263,110
Total Energy Consumption	MWh	528,268	447,705	370,741
Energy Consumption Intensity (by bed capacity)	kWh /bed	39.88	49.82	49.79
Energy Consumption Intensity (by hotel night sold)	kWh /night	75.09	107.79	99.83
Energy Consumption Intensity (by hotel night sold)	kWh/RMB 10,000 of Revenue	383.42	483.41	525.11

Tracking of progress for 2030 sustainable development goals

Goals

10% reduction in water use intensity (2019 baseline)

2022 progress

Compare to 2019, water use intensity decreased by 16% (by hotel night sold) and decreased by 11% (by revenue)

The Group understands that water resources are very important to the sustainable development of our businesses and the wider community. We strictly comply with the *Water Law of the People's Republic of China* and other relevant laws and regulations of water resources applicable to the regions/countries where we operate. We formulated the *Water Policy* and adopted better water management and conservation measures, to reduce water consumption, and to help alleviate the pressure of water scarcity in our operations.

The Group has set a target of "Reduce water use intensity by 10% by 2030 (2019 baseline)", to guide and monitor the adoption of targeted water management approaches by its subsidiaries to improve the efficiency of water consumption at each operating site.

Note:

(1) Total energy consumption includes the consumption volume of all the Club Med resorts under Fosun Tourism and Atlantis Sanya (Aquaventure Waterpark, show C theater, the hotel, the shopping street, the Aquarium).

(2) Direct energy includes fossil fuels such as natural gas, liquefied petroleum gas, liquefied natural gas and fuel oil; indirect energy includes purchased electricity and purchased heat.

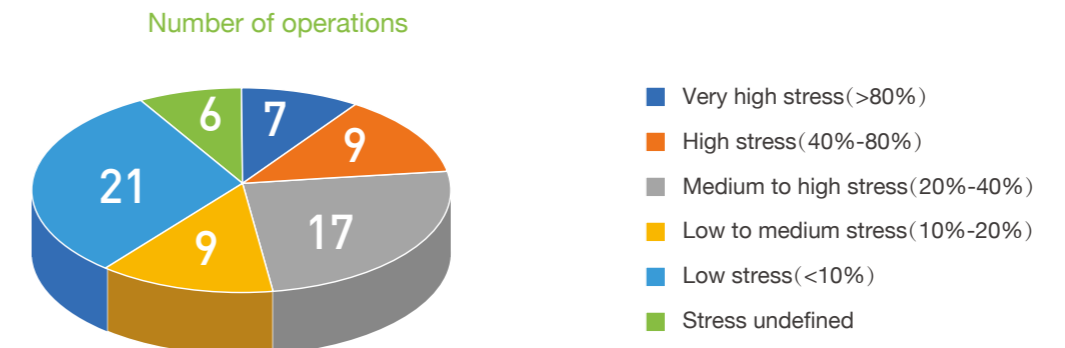
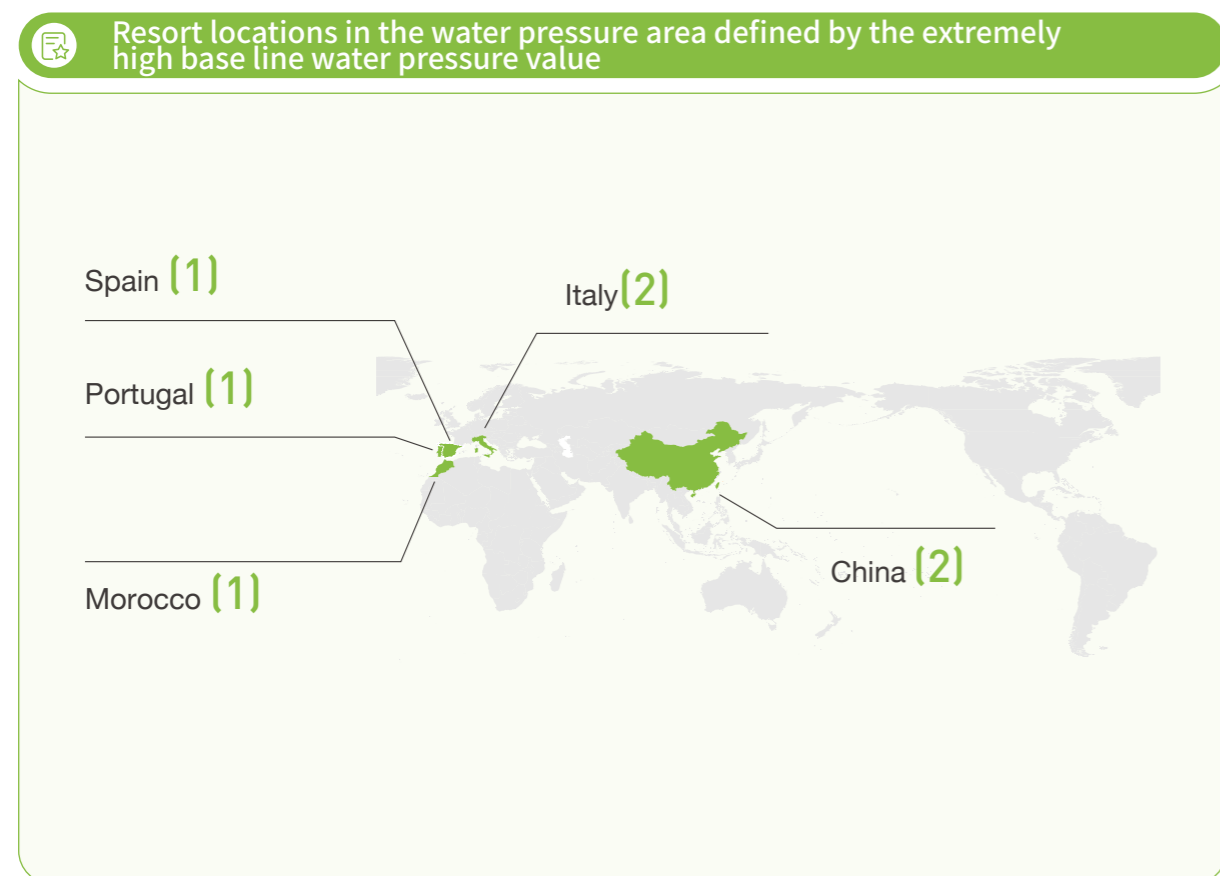
(3) Calculation is based on default value of fossil fuel in the Guide of Accounting and Report of Greenhouse Gas Emissions released by the NDRC

(4) During the Reporting Period, total energy consumption included 48059.6 MWh of renewable energy, mainly from Club Med resorts.

Identification and Management of Water Stressed Areas

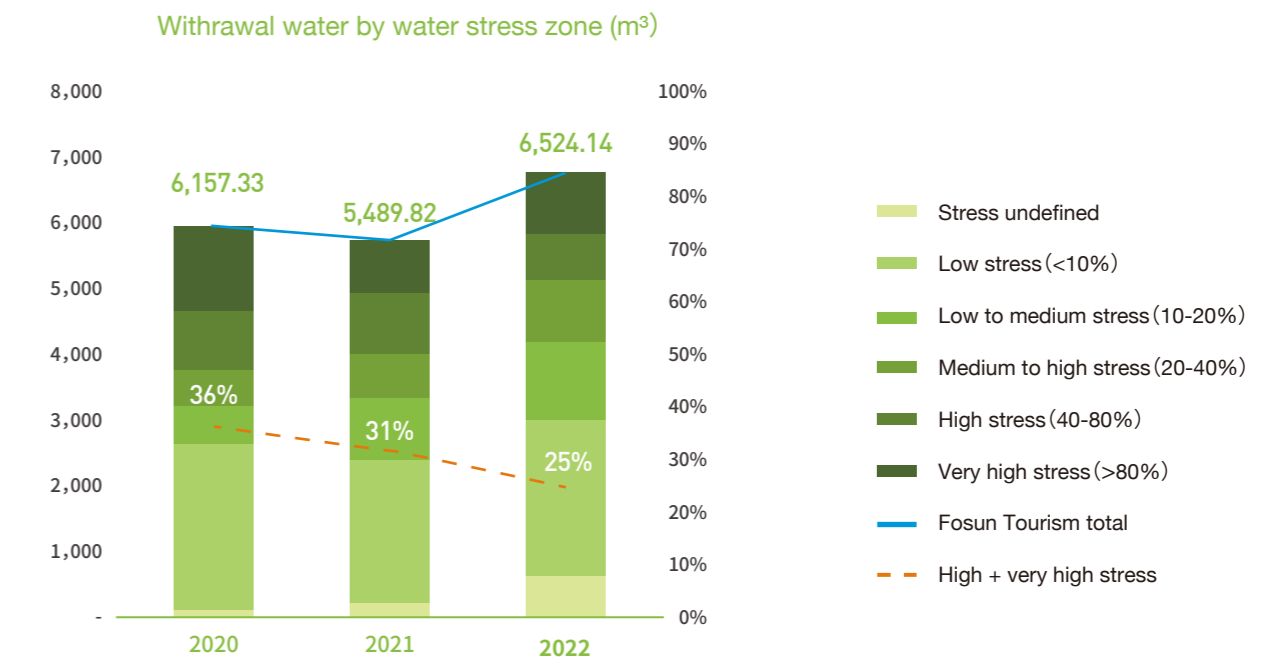
The Group has realized that water shortage still remains a serious global challenge, which affects the long-term sustainability of communities and enterprises. It is very important to identify water stress risks of all operating locations and carry out targeted management for the conservation and protection of water resources.

The Group carried out annual water stress area identification and management by identifying and assessing the water risk faced by each operation. We regularly adopted the Water Risk Atlas Aqueduct™ tool developed by the World Resources Institute (WRI), which analyses water stress at each operating site by watershed based on the location of each operation. The identification result of the Group in 2022 indicated that 7 resorts were located in the water stress area defined by the extremely high base line water pressure value. Resorts' locations in the water pressure area defined by the extremely high base line water pressure value and the number of our resorts located in the Baseline Water Stress areas is as follows:



To further improve water management, the Group regularly analyzes the water use at all operating sites located in each water stress area, thereby comprehensively assessing the related business risks and impacts, and formulating management measures accordingly. For resorts operated in high water stress areas based on the identification results, we set management requirements for plant watering. The measures taken include choosing drought-tolerant plant, collecting rainwater for watering, and gradually adopting automated drip irrigation and sprinklers to improve water utilization efficiency.

During the Reporting Period, the water withdrawals by water stress zone of the Group's main operating sites are shown in the table below¹¹.



¹¹The main operations include Atlantis Sanya and Club Med, excluding seawater intake.

Water Conservation Measures

To recognize continuous efforts in lowering water consumption and improving water efficiency, we have implemented a number of water conservation measures at all of our operations and regularly review our daily practices, while continually looking for ways to increase opportunities to recycle water. Atlantis Sanya was awarded the title of “Water-saving Hotel” by Sanya Water Conservation Office in 2021.



We have installed rainwater and water recycling systems at all Club Med resorts and Atlantis Sanya to promote water recycling and reduce water consumption, and we have applied the best water-saving technologies to every resort and hotel to improve water efficiency.

Water-saving measures



Water Recycling

Club Med

always promotes the recycling of water in its resorts, especially in resorts with green spaces where almost all treated water is reused for irrigation:

- 40% of resorts (excluding ski resorts) with green areas recycle their water for irrigation
- 47% of resorts (excluding ski resorts) with green areas use their own or purchased recycled water for irrigation
- In 2022, Club Med installed rainwater or medium water recycling systems at its resorts in Provence (France), Qiandao Lake (China), Lijiang (China) and Guilin (China).

Atlantis Sanya

Nearly 400,000 cubic meters of water can be saved every year through various measures, including rainwater collecting tanks, optimal use of seawater, recycling overflow of fish tanks, refurbishment of the flushing system of the protein skimmer, garden pipeline refurbishment, refurbishment of family pool overflow ditch, recycling tower condensate, water park facilities upgrade, kitchen water-saving system upgrade, etc.



Upgrading of Water-saving Equipment and Technology

Club Med

All village facilities and equipment have been designed to control water consumption (flow regulators on taps, pressure reducers, water-saving flushing, centralized irrigation management systems, drip irrigation, etc.). During the Reporting Period, Club Med installed efficient irrigation systems in its resorts in Senegal.

Atlantis Sanya

During the Reporting Period, Atlantis Sanya upgraded the flushing system of the protein skimmer by installing ozone and ultraviolet disinfection devices in the two freshwater fish tanks in the aquarium. More than 130,000 cubic meters of water can be saved annually in the water park by utilizing the recycled water of the integrated wastewater treatment plant and refurbishing the cooling system of the lifting pump of the lazy river.



Regular Monitoring and Maintenance

Club Med

Daily monitoring of water consumption makes it easier to detect leakage in the water supply network. During the Reporting Period, Club Med overhauled the pool at La Palmyre Atlantique Resort in France.

Atlantis Sanya

Entrusted professional institutions to conduct water balance tests and rectified the problems identified in time; refined the inspection and maintenance system for water facilities; carried out the transformation of water meter; built an online remote meter reading system to realize remote monitoring of water consumption data and dynamic management of water consumption.

We actively encourage our employees and customers to practice responsible water consumption habits. We provide new employees of our hotels with EarthCheck training and knowledge of water conservation in their daily work, such as “World Water Day” and “Water Awareness Week”. We also encourage hotel guests to take action by placarding water-saving posters and to minimize the frequency of cleaning bedsheets and towels to save water.

During the Reporting Period, the Group's water withdrawals data were as follows:

Category	Unit	2022	2021	2020
Municipal Water	m ³	4,443,904	3,649,884	3,692,260
Groundwater	m ³	1,568,019	1,359,856	1,989,910
Surface Water	m ³	320,392	241,997	246,464
Purchased Recycled Water	m ³	60,784	50,377	32,864
Drinking Water	m ³	131,840	187,703	195,836
Total Freshwater Consumption	m³	6,524,940	5,489,817	6,157,334
Freshwater Consumption Intensity (by bed capacity)	m ³ /bed	0.49	0.61	0.82
Freshwater Consumption Intensity (by hotel night sold)	m ³ /night	0.93	1.32	1.66
Freshwater Consumption Intensity (by revenue)	m ³ /RMB10,000 of Revenue	4.74	5.93	8.72
Total Seawater Consumption	m³	4,538,107	4,137,104	4,380,000
Seawater Consumption Intensity (by revenue)	m ³ /RMB10,000 of Revenue	723.61	359.04	396.34

Note:

(1) The total amount of water withdrawal is calculated in cubic meters and includes all water used on each site, whether paid or free.

(2) Drinking water refers to the drinking water used by Club Med resorts which is delivered by truck.

(3) Seawater is mainly used for the breeding of marine animals in the Aquarium and Dolphin Cay of Atlantis Sanya. Seawater consumption intensity = total seawater consumption / revenue of Aquarium and Dolphin Cay of Atlantis Sanya during the Reporting Period. During the Reporting Period, as is impacted by the epidemic and the fluctuations in the revenue of Aquarium and Dolphin Cay of Atlantis Sanya, the seawater consumption intensity increased compared with the prior Reporting Period.

Ecological Protection

Biodiversity Protection

The Group takes various actions to protect biodiversity in its operations. We value the balance of the ecosystem in all phases of planning, design, construction and operation to minimize the negative impact on the surrounding ecology. We have developed the *Biodiversity Policy* to encourage major subsidiaries, associates, joint ventures, partners and other relevant parties to respect and protect biodiversity.

28% of the Group's Club Med resorts total surface area is located adjacent or near protected sites¹², with another 25% located at less than 3 km from the protected site. To minimize the impact on protected areas, Club Med carried out a number of biodiversity conservation practices and awareness-raising activities. Club Med joined Act4Nature¹³ in 2018 and has made commitment to voluntary action by setting targets and goals and committing to regularly review their achievement in order to contribute to global biodiversity conservation. Club Med's voluntary actions included: obtaining BREEAM and Green Globe certifications for resorts, using less land and ocean, strictly controlling invasive alien species, avoiding overexploitation of resources in the supply chain, and protecting endangered species.



¹² The resorts in or next to protected sites are either concerned by a marine zone or concerned by the adhesion zone of national parks in the mountains (this is an area outside the heart of the park itself), which does not belong to the core reserve of the nature reserve and is allowed to carry out tourism development.

¹³ Act4nature program, led by the non-profit organization EpE (Entreprises pour l'Environnement), is a long-term, continuous improvement initiative based on 10 common measures and voluntary actions, in line with the French national policy to preserve biodiversity.

In addition, Club Med has set targets and taken measures during the development and operational phases to protect ecosystems and endemic species, control the risk of pollution and avoid overexploitation of natural resources.

Club Med Sets Targets and Takes Steps at All Phases to Conserve Biodiversity

Village Development Phase

- **Strategic studies of environmental impacts and biodiversity:**
Committed to carrying out an Environmental Impact Assessment (EIA) for 100% of new or deep renovated projects since 2022. From 2020 to 2022, 67 percent of eligible resorts (construction projects in undeveloped areas) have undergone an environmental impact assessment, and 50 percent of construction projects in undeveloped areas have been guided by biologists
- **Vegetation alteration and restoration:**
Limiting the proportion of built-up areas to 10% (this number was 8% in 2022)
- **Differentiated management of green areas**
- **Habitats for the local fauna**
- **Considering the risk of invasive species when selecting resort vegetation**

Village Operation Phase

- **Purchase responsibly:**
Set and regularly track KPI on local and sustainable products
Fish Purchasing Charter
- **Green space management:** Differentiated management of green spaces, plant species selection, respect on the environment of green space care
- **Protection of endangered species:** Continue to fight against the proliferation of the red palm weevil and xylem itch resistant bacteria to maintain the biological sensitivity and biodiversity of all sites
- **Focusing on biodiversity in the most sensitive sites:** including invasive species, destabilizing species and pest organisms
- **Raising clients' awareness of nature conservation and exploration**
- **Targets setting:** 50% of hotels working with local non-profit organizations to protect biodiversity by 2022 and 100% by 2030; consulting and cooperating with at least 3 NGOs every year to improve biodiversity related procedures and policies; all green landscapes will be chemical pesticides free by 2030

The Group follows the principles of “development under protection” and “protection under development” in the construction and operation of projects to minimize the negative impacts on the surrounding ecology.

Biodiversity Survey



Lijiang FOIDAY Town

survey on the biodiversity of the flora and fauna around the operation location of Lijiang FOIDAY Town was carried out at the project design phase, including field investigation and historical data study, and the assessment and analysis were backed by vegetation samples and remote sensing technology.

The survey identified

64 endemic plants of China **2** endemic plants of Yunnan **242** species, **197** genera, **76** families of vascular plants

2 species of plant were listed as Near Threatened species of the Intentional Union for Conservation of Nature's Red List

2 species of bird were listed as Low Risk species. In addition

1 species of bird was classified as Level 2 in the List of *State Key Protected Wild Animals*

Lijiang FOIDAY Town actively formulates measures to protect biodiversity in its operations and surrounding areas based on the results of biodiversity survey and experts' suggestions.



Atlantis Sanya

At the design phase of Haitang Bay seawater intake and drainage project, Atlantis Sanya carried out a biodiversity survey near its operation location based on the results of biological investigation conducted by the Hainan Academy of Ocean and Fisheries Science,

identifying

85 species, **33** genera, **3** phylum of phytoplankton **50** species, **40** genera, **10** categories of zooplankton

15 species of macrobenthic organisms and little fish egg and larvae

No endangered or key protected living things were found.

We encourage and call customers and partners to join us to participate in biodiversity protection activities and to devote efforts into the earth's ecological conservation. By 2025, 50% of Club Med resorts will carry out educational “Green Activities” for customers and employees, and by 2030, 100% of resorts will carry out such activities. In 2022, 49% of resorts carried out “Green Activities”.

Animal Welfare

Animals play important roles in the tourism industry considering their value in natural and cultural heritage, and contribute to the richness of the tourist destination. We actively prompt the subsidiaries to take various measures to ensure that animals could be treated in appropriate and humane way during business operations.

Club Med's Animal Welfare Policy

The *Animal Welfare Policy of Club Med* has been published and implemented for several years. Under the guidance of this policy, Club Med collaborates with external experts and suppliers to practice animal welfare care throughout the value chain.



Club Med's Commitment to Animal Care

Elephants

Since 2021, all Villages operate only elephant observation activities. Circus shows, riding and bathing with elephant activities have been stopped by the end of 2020.

Cetaceans

Since end-Aug of 2021, all Villages only provide activities to observe wild cetaceans. Since 2019, all Club Med cetacean viewing tour suppliers started to comply with the *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*¹⁴ written by Club Med and the World Cetacean Alliance (WCA) for protecting the cetaceans in a better way.

Wild animals

Since 2021, all villages only provide wild animals observation activities. By the end of 2020, all wild animal interaction activities has been stopped and the use of wildlife as photographic props was no longer allowed as well.

Sea turtles

In all resorts located in a turtle nesting site, partnering with local experts, Club Med commits to protecting turtles by securing the nests, ensuring non disturbance by business operations, and raising awareness. Club Med will keep the *Turtle Protection Guide*¹⁵ available to its staff and follow its right application.

Animals from supply chain

From 2025, all egg products in the hotels of Europe, Brazil and the United States will come from cage-free suppliers, and it will be promoted to all locations from 2027. From 2023 onward, Club Med will require all suppliers to implement *Animal Welfare Charter* and conducted related audits of supplier's practices.

¹⁴ *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*: In 2018, Club Med sponsored the creation by the WCA of the first international guidelines on cetacean observation *Global Best Practice Guidance on Responsible Whale and Dolphin Watching*. This document highlights best practices and unacceptable practices for observation by boat and by swimming.

¹⁵ *Turtle Protection Guide*: In 2013, Club Med developed an internal guide on turtle protection based on specialists' advice to raise awareness among teams and support them in their action of protecting turtles on site. The guide contains information on marine turtles and their threats, as well as advice on related actions implemented by Club Med.

Protection of marine animal welfare at Atlantis Sanya

Atlantis Sanya attaches great importance to the protection of animal welfare within the scope of operation, and endeavors to create safer and more comfortable living environment for animals in the aquarium and the Dolphin Cay through feeding water quality improvement, physical and mental health care for animals and themed education for customers, so as to fully protect the welfare of marine animals.

Animal care practices at Atlantis Sanya

Improvement of feeding water quality

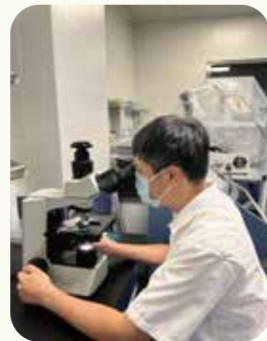
- We establish operation procedures for ozone regulation; adjust the equipment operation status periodically according to annual and seasonal changes; carry out preventive adjustment and maintenance.

Physical and mental health care

- We establish individual profile for the animal, and perform daily routine physical examination and regular in-depth health examination for marine animals, including body temperature check and body surface examination, blood sampling and ultrasonic testing. We also employ well-known veterinary consultants in China to conduct health assessments on animals and train medical staff
- We conduct professional nutrition monitoring and follow the feed composition and feed amount recommended by the veterinarian. The storage and handling of feed are strictly controlled in accordance with SOP to ensure the safety, health and appropriateness of feed
- Marine animal trainers receive regular training on ATLANTIS Marine animal training regulations and policies
- We arrange appropriate daily learning contents according to the situation of marine mammals, and provide different types of animal toys to ensure the mental health of animals



Health examination



Nutrition guarantee



Mental care

Customer subject education

- Dolphin Cay conducts long-term science education and publicity to increase customers' understanding of marine mammals and their animal protection awareness.

Emission Management

Tracking of progress for 2030 sustainable development goals

Goals

- 30% reduction of waste generation (2019 baseline)

2022 progress

- Compare to 2019, non-hazardous waste generation decreased by 27%, non-hazardous waste intensity decreased by 14% (by hotel night sold) and decreased by 8% (by revenue)

The group always trying to explore ways to improve waste management measures and to use limited resources more efficiently. The Group has established the *Environmental Pollutants Management Policy* and the waste reduction target to guide and supervise all subsidiaries to adopt targeted emission management methods to reduce emissions from operations.

Waste Management

Reduction for generation and reasonable disposal of solid waste are an important element for minimizing environmental impact. The Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution Caused by Solid Wastes* and relevant laws and regulations about wastes in its business locations. The group has formulated *Fosun Tourism Group Solid Waste Management Guideline v2.0*, committed to continuously reducing solid waste from operations.

Create "Zero-waste Hotels" in Atlantis Sanya

Atlantis Sanya actively responded to the Hainan Provincial Government's campaign to create "Zero-waste Hotels" and was awarded as the "Zero-waste Hotel of Sanya" in 2022.



To promote source reduction, recycling and harmless management of solid waste, Atlantis Sanya has established a dedicated management and responsibility organization, and incorporated corresponding assessment and reward mechanism in the hotel performance assessment system. During the Reporting Period, Atlantis Sanya continued to promote waste reduction by taking following measures:

Source reduction of solid waste

Atlantis Sanya generally did not provide disposable supplies and daily necessities (such as disposable slippers, toothbrushes and bathing supplies) in guest rooms, and promoted the use of recyclable and reusable daily necessities. It also used degradable disposable products in guest rooms, and purchased paper towels certified by the Forest Stewardship Council (FSC).

Classification and treatment of solid waste

A temporary storage room for solid waste was established for standard management of hazardous solid waste, and a qualified third party was entrusted to recycle the hazardous waste. Atlantis Sanya also provided sorting trash cans in each area of the hotel. During the Reporting Period, Atlantis Sanya practiced solid waste recycling by making waste bedding sets or towels into coasters, slippers bags and rags, etc.

Training and publicity

All publicity signs related to the theme of "zero waste" are displayed in conspicuous areas such as hotel rooms, restaurants and lobbies, and public welfare activities with the theme of "zero-waste hotels" are actively carried out. All employees have received the training on "creation of zero-waste hotels".



During the Reporting Period, the waste generated by the Group is shown as follows:

Waste Category	Unit	2022	2021
Non-hazardous Waste	Tons	23,019	20,949
Non-hazardous Waste Intensity (by revenue)	kg/RMB 10,000 revenue	16.71	22.62
Hazardous Waste	Tons	388	1,257
Hazardous Waste Intensity (by revenue)	kg/RMB 10,000 of revenue	0.28	1.36

Note:

- (1) As the law requirements and regulations vary in different operating locations of the Group with regard to whether waste cooking oil treated as hazardous waste, the volume and intensity of cooking oil generated by the Group are separately disclosed.
- (2) Due to the different waste classification requirements of each country where Club Med resorts are located, the statistical coverage of non-hazardous waste and hazardous waste varies. In order to maintain the completeness and comparability of the data, the data of non-hazardous waste and hazardous waste have been extrapolated according to the proportion of beds in the resorts, and thus the coverage rate of waste data in the above table is 100%.
- (3) The Group recycled non-hazardous such as disposable plastics, metals, paper, glass, porcelain and wood, etc. During the Reporting Period, the total amount of waste recycled was 4,202 tons, representing a recycling ratio of 18%.
- (4) The Group made an adjustment of the statistical range of waste statistics since 2021. During the Reporting Period, the Group restated the non-hazardous generation in 2019 based on the new statistical range to accurately track the progress. The restated non-hazardous generation in 2019 was 31,623 tons, the intensity was 3.80 kg/night (by hotel night sold) and 18.24 kg/ RMB 10,000 of revenue (by revenue).

Non-hazardous waste management

The non-hazardous waste generated by the Group in its business operations mainly include dry waste, cardboards, papers, glass, porcelain, wood, biodegradable waste and other waste to incineration and landfill.

We foster the concept of circular economy throughout our business operation process, insisting on sustainable waste management including waste sorting, waste reducing and recycling, quantitative waste monitoring, and limiting food waste. We attempt to reduce non-hazardous waste generation and actively cooperate with all parties to boost circular economy.

Sustainable waste management measures



Waste Sorting

- 39% of Club Med resorts use recycling channels for the five most common types of waste (paper, plastic, cardboard, metal and glass). During the Reporting Period, the recycling volume reached 4,141 tons.
- Atlantis Sanya also launches online courses of "Waste Sorting" for employees every year, and the completion rate of courses was 100% in 2022.



Reduce and recycle waste

- Set targets for reducing waste that is not recycled with the aim of moving toward zero waste.
- Reduce waste at the source via purchasing (minimizing packaging) and changes in services (eliminating some individual packaging).
- Resorts continue to work with their suppliers and carriers on the recovery and reuse of packaging (containers, pallets, plastic craters for fish to replace polystyrene bins. etc.).



Quantitative Waste Monitoring

- Continue quantitative waste monitoring, with a standard waste monitoring procedure charged by Inventory and Supply management for all sites.

The Group have responded positively to the *Opinions on Further Strengthening Plastic Pollution Control*. During the operation process, we adopted a step-by-step approach in prohibiting or restricting the use of single-use plastic products and replacing them with degradable ones to reduce the impact of single-use plastic items on environment.

Club Med “Bye-Bye Plastic” Program

The "Bye-Bye Plastic" program, launched in 2018, aims to eliminate single-use plastic products in all Club Med resorts. Meantime, Club Med signed the GTPI (Global Tourism Plastic Initiative) led by (United Nations Environment Programme) UNEP and (World Tourism Organization) WTO in partnership with the Ellen McArthur Foundation, as part of the "One Planet Sustainable Tourism" program. In 2022, according to the process of "Bye-Bye Plastic" program. Club Med further upgraded the target requirements and set new targets.



Target

Phase out single-use plastic for catering (straws, cups, mugs, as well as plates, cutlery and trays)

Use of reusable large bottles for shower gels, shampoos and creams in bathrooms

Phase out plastic packaging of accessories in guest room by the end of 2021

Reduce progressively the consumption of plastic water bottles compared to 2019: by 10% in 2022, 25% in 2023, 50% in 2024

Starting in 2023, gradually replace single-use plastic items in rooms with products made from alternative materials.



Achievement

100% of Club Med resorts have achieved target by the end of 2019 (excluding the cutlery in Brazil)

100% of Club Med resorts have achieved target by the end of 2022 (excluding the Exclusive Collection range and Brazil)

100% of Club Med resorts have achieved target by the end of 2021

In 2022, 7 resorts have achieved this target. 3 resorts run their own bottling plant and use reusable glass bottles. Single-use plastic water bottles are no longer available for hiking customers. Instead, there is reusable water bottles in resort shops.

In progress

In addition, a large amount of waste is generated at the construction sites of some new buildings. To ensure proper disposal of waste, we require contractors to recycle, treat and dispose of construction waste in accordance with our construction waste management plan. Contractors are required to achieve the project-specific recycling targets in accordance with the requirements of relevant certifications related to energy and environmental design.

Limit food waste

The Group actively promotes hotels and resorts to take management measures to reduce food waste through publicity, audit, training and intelligent monitoring.



Club Med's Poster Against Food Waste



“Reducing Food Waste” Proposal at Atlantis Sanya



Club Med's food waste solutions

Club Med has made a commitment to reduce waste to the level of the best performance among Club Med resorts (around 100 grams per meal) in all resorts by 2030, and 100% of resorts will adopt a proactive approach (including Winnow solutions, food waste audit, training, etc.) to measure and reduce waste.

Since 2017, Club Med has used the Winnow solutions, a smart Internet-based bin technology to measure and limit food waste and reduced food waste quantity by nearly 50% and the cost of food by 1.5% according to Winnow. Club Med plans to promote the practice to 50% of resorts by 2025 and 100% by 2030.



Supplementary information

Winnow is a professional provider of commercial food waste solutions which can reduce the value and cost of food waste by using AI intelligence technology to measure and limit food waste. It has been applied to resorts in the Asia-Pacific region (excluding Japan) and is under test in the resorts in Dominican.

Waste cooking oil

We strictly comply with the local laws and regulations when treating waste cooking oil. We have entrusted qualified third party to transport and dispose of waste cooking oil to ensure the standard recovery of waste cooking oil and improve the resource utilization of waste cooking oil.

Waste Category	Unit	2022	2021
Cooking Oil	Tons	499	407
Intensity of Cooking Oil (by bed capacity)	Kg/bed	0.04	0.05
Intensity of Cooking Oil (by revenue)	Kg/RMB 10,000 of revenue	0.36	0.44
Intensity of Cooking Oil (by hotel night sold)	Kg/night	0.07	0.10

Note:

(1) As the law requirements and regulations vary in different operating locations of the Group with regard to whether waste cooking oil treated as hazardous waste, the volume and intensity of cooking oil generated by the Group are separately disclosed.

(2) Due to different requirements of each country as to whether waste cooking oil needs to be treated separately, some Club Med resorts do not disclose the amount of waste cooking oil separately. In order to maintain the comparability of the data, the data of waste cooking oil of the above resorts have been extrapolated, so the coverage rate of waste data in the above table is 100%.

Other hazardous waste

A limited amount of hazardous waste may be generated in our operations. The hazardous waste generated is collected in a timely manner and stored in a clearly marked and dedicated storage area before it is handed over to qualified contractors or government departments for recycling. At the same time, the Group has established emergency response procedures and requires its subsidiaries to establish procedures for handling chemical leakage to prevent damage to the environment caused by any chemical or hazardous waste leakage accident. We also conduct emergency drills to ensure that staff are aware of their responsibilities and actions to be taken.

Hazardous waste treatment measures



Club Med

Club Med regularly conducts outreach in all resorts on sorting, tracking and maintaining records of hazardous waste and actively seeks for hazardous waste solutions at all new resorts.



Atlantis Sanya

In accordance with the *Directory of National Hazardous Wastes*, establish solid waste temporary storage rooms for standard management of the hazardous waste generated in the production process, with all types of hazardous solid waste clearly classified, recorded though ledger and accurately measured, and entrust qualified third party to recycle the hazardous waste.

Wastewater Management

All wastewater discharged by the Group is domestic wastewater, which is discharged in strict accordance with the *Water Pollution Prevention and Control Law of the People's Republic of China* and the relevant laws, regulations about the wastewater in its business locations to ensure that all wastewater is properly treated before discharge. We also regularly test and assess the wastewater quality of our facilities to ensure that all applicable standards are met.

The Group's domestic wastewater discharge has negligible impact on the environment, and the Group is unable to systematically measure its discharge. Therefore, the key performance indicator A1.1(the types of emissions and respective emissions data) regarding wastewater discharge in the *ESG Reporting Guide* are not disclosed in the Report.

Wastewater Disposal



Club Med

The only water discharged by Club Med is domestic wastewater. Through systematic wastewater treatment and run-off management, Club Med managed to avoid contamination of soil and groundwater.

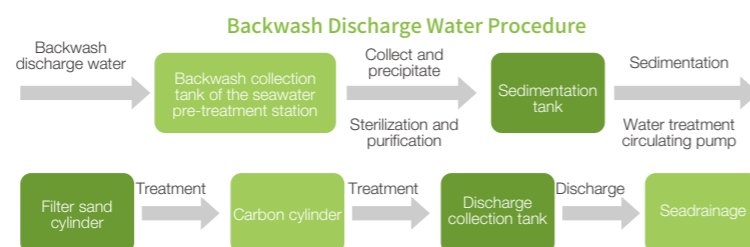
Wastewater sanitation: Treatment plants are built when water treatment facilities are not available locally, particularly for Villages in remote areas or in those lacking infrastructures.

Wastewater monitoring: Conduct water quality monitoring on the final discharge outlet of domestic wastewater, and record water quality parameters, technical data, analysis results and other information to ensure compliance with discharge.



Atlantis Sanya

Atlantis Sanya discharges the marine system drainage and overflow, egg splitting and backwashing water from the operation to the seawater pre-treatment collection tank, which is strictly treated, precipitated and then recycled or directly discharged to the sea after passing recycling and filtration treatment. Water quality tests are regularly conducted in drains to ensure that they do not pollute the water quality.



Other Waste Management

The Group has adopted different pollution prevention and control measures for exhaust gas, noise and light pollution, in order to ensure that all pollutants are discharged in compliance.



Exhaust emissions

Club Med

The percentage of resorts with equipment using CFC gases dropped from 68% in 2012 to 16% in 2022 (2018: 36%). This equipment is being progressively eliminated in resorts where it is still used

Atlantis Sanya

It carries out quarterly cleaning of fume pipes, conducts irregular inspection and maintenance on kitchen fume purifier and installs the fume remote monitoring system of the Internet of Things of the government department

Taicang FOLIDAY Town

Its construction strictly abides by the *Integrated Emission Standard of Air Pollutants*



Noise pollution

Atlantis Sanya

Third parties are engaged to monitor hotel noise on a regular basis

Club Med

51% of resorts have a decibel meter and 43% have been evaluated for noise by external experts

Taicang FOLIDAY Town

Its construction strictly follows the noise emission limits set out by the *Emission Standard of Environment Noise for Boundary of Construction Site*



Light pollution

Club Med

Steps have been taken to prevent light emitted by the company from having an impact on wildlife (especially in the context of marine turtle protection)

05

Diversity and Equality

Adhering to the humanistic spirit of “Diversity, Equality and Human-centered”, the Group is committed to creating an equal, diverse and inclusive working environment. We provide employees with highly competitive remuneration and welfare, as well as efficient training system and global job opportunities. On the basis of respecting human rights and diversity as well as ensuring their health and safety, we help our employees reach their full potential, so that every employee can “Work Happily and Live with Peace of Mind”.

The Board is the highest governance body on employee-related issues such as employee rights and development, respect for human rights and diversity, and occupational health and safety, and its ESG Committee is responsible for monitoring and promoting these issues.

108 BUILDING A DIVERSIFIED WORKING ENVIRONMENT

114 PROMOTING EMPLOYEES’ PERSONAL GROWTH

121 IMPROVING THE SENSE OF HAPPINESS



During the Reporting Period, Club Med and Atlantis Sanya were awarded the "2022 Excellent Employers of Luxury Hotels in the Tourism Services Industry" by VERYEST.CN.



Building a Diversified Working Environment

As a company that operates globally, we are committed to building an equal and inclusive work environment for our employees and promoting positive and diversified development.

The Group strictly abides by the *Labor Law of the People's Republic of China* as well as the laws and regulations of the countries and regions where we operate. With reference to the principles of international labor agreements such as the *International Labor Organization Convention* and the *Universal Declaration of Human Rights*, and in combination with the actual operational situation of the Group, we have formulated a number of normative documents, including the *Fosun Tourism Group Employee Handbook*, the *Provisions on Remuneration and Welfare Management of Fosun Tourism Group* and the *Regulations on Attendance and Holiday Management of Fosun Tourism Group* to regulate the recruitment and dismissal, working hours and rest periods, promotion, equality, diversity and anti-discrimination, remuneration and benefits, etc., so as to effectively support employees' all-around diversified development and to protect the legitimate rights and interests of our employees.

As of 31 December 2022, the employees of the Group come from six continents, with a total number of 14,070. The classification of employees by gender, age, region, employment type and job level are shown as follows:

Employee Indicator	2022	2021
The total number of employees within the scope of the Report	14,070	10,263
By Gender		
Male	8,145	5,717
Female	5,925	4,546
By Age		
<30	5,917	3,583
30-40	4,155	3,027
40-50	2,345	2,182
>50	1,653	1,471
By Geographical Region		
Asia	5,088	5,282
Europe	5,566	2,094
Africa	678	396
North America	2,303	1,639
South America	417	837
Oceania	18	15
By Employee Type		
Full-time	13,973	10,148
Part-time	97	115
By Job Level		
Senior management	217	268
Middle management	1,793	1,813
Junior employees	12,060	8,182



Diversified Employment

The Group upholds a strategy of localization and diversification of global talents and keeps in line with global business layout to strengthen the internationalization and standardization of the recruitment processes in different countries and regions. We continue to optimize the management and efficiency of the recruitment processes and channels to ensure a scientific and rational talent employment mechanism.

During the recruitment and selection process, we evaluate candidates on the basis of their work experience, abilities and qualifications, regardless of their gender, age, family background, race, religious belief, nationality, sexual orientation or disability. We have incorporated anti-discrimination related requirements into the *Fosun Tourism Group Interviewer Handbook*. Besides, we provide relevant trainings to all employees of the Group in the position of recruitment to not take discriminatory factors such as gender and age into consideration.

We strictly regulate recruitment-related procedures, sign labor contracts with each employee, and clearly define the rights, responsibilities and obligations of both employees and employers (including compensation, working hours, benefits and holidays, etc.).

The workforce localization allows us to better integrate into the diverse cultures of operating regions. Under the globalization strategy, the Group focuses on promoting the localization of employees in different regions where we operate and is committed to continuously enhancing local employment through opening more local vacancies.

Working hours and holidays

The Group has formulated the *Regulations on Attendance and Holiday Management of Fosun Tourism Group* to regulate the management of employees' attendance and leave. All subsidiaries formulate and implement independent attendance management and leave policies in accordance with the laws and regulations where they operate and their own operating conditions. We regulate working hours and ensure that employees enjoy reasonable and adequate rest time. In case of special circumstances requiring overtime work, employees are required to communicate and get approval from the head of the department in advance and arrange for compensatory leave. Employees are entitled to national legal holidays, statutory annual leave, personal leave, sick leave, maternity leave, bereavement leave, parental leave, etc. We also provide additional paid holidays in accordance with the requirements of different countries and regions.

Club Med Telework Agreement

In 2021, Club Med has signed an 4-year unanimous agreement with all employees on teleworking and the agreement came into force in September 2022, proposing a new work experience with the "SmartWorking@ClubMed" concept, which encourages flexible work when practically possible and appropriate. This working arrangement allows employees to balance work with other priorities and contributes to a harmonious and inclusive working environment. The agreement was signed in France and then gradually applied in all countries, sometimes with adjustments.

Resignation and dismissal

All employees are entitled to terminate their employment with the Group. The conclusion, modification, cancellation and termination of relevant employment contracts are in strict compliance with the relevant laws and policies. The Group has established clear dismissal criteria and resignation procedures and does not dismiss employees arbitrarily to protect the rights and interests of employees. During the Reporting Period, the Group had no large-scale layoffs.

As of 31 December 2022, the Group's employee turnover rates by gender, age and region were as follows:

Employee Turnover Rate	2022
Overall Turnover Rate	46%
Voluntary Turnover Rate	30%
By Gender	
Male	50%
Female	39%
By Age	
<30	66%
30-40	35%
40-50	29%
>50	24%
By Geographical Region	
Asia	35%
Europe	48%
Africa	10%
North America	61%
South America	120%
Oceania	50%

Note:

Turnover rate by category = number of employees who left the category during the Reporting Period /total number of employees in the category at the end of the Reporting Period * 100%.

Equality and Inclusion

The Group is committed to creating an equal, diverse and inclusive working environment. We strictly comply with the laws and regulations of different countries and regions, and is committed to advancing the cause of human rights on a global scale. With reference to the principles of international employment agreements such as the *United Nations Universal Declaration of Human Rights and the United Nations Convention on the Rights of the Child*, we have formulated and released the *Fosun Tourism Group Human Rights Statement*, promising that we will do our utmost to provide a healthy and safe workplace and offer compliant compensation for work, respect employees' political rights, and prohibit forced labor and child labor. In addition, we actively promote our subsidiaries to abide by the relevant undertakings in our human rights statement and ensure that all employees are fully informed through occasional training.

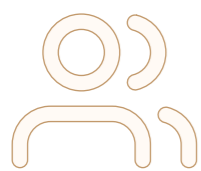
The global implementation of the Group's resorts may increase potential human rights risks. Therefore, we actively implement human rights risk management. Club Med, a subsidiary of Fosun Tourism, conducts resort audit for eligible¹⁶ resorts during the annual Green Globe certification process to assess human rights risks and evaluate the effectiveness of human rights measures implemented. Club Med would take immediate actions to correct and remediate the human rights risks identified during the assessment and submit rectification evidence to Green Globe, ensuring that the human rights and basic rights of employees and local communities are under proper protection.

Club Med is also a signatory to the Global Code of Ethics for Tourism (GCET) of the United Nations World Tourism Organization (UNWTO), committed to promoting a fair, responsible and sustainable world tourism order and protecting the human rights of tourists, employees and local communities in the course of resort operations.

🕒 Diversity and anti-discrimination

Our *Fosun Tourism Group Human Rights Statement* clearly states that we have "zero tolerance" attitude to all forms of discrimination, harassment, abuse, coercion and violence. We respect the tangible and intangible differences of all our employees, regardless of their gender, age, race and ethnicity, color, religious beliefs, nationality, sexual orientation, physical condition, marital status, political affiliation, etc.

As of the end of the Reporting Period



The Group had **175** employees with disabilities, accounting for **1.2%**;
65 female employees in senior management, accounting for approximately **30%**;
794 female employees in middle management, accounting for approximately **44%**;
56 female employees in science, technology, engineering and mathematics (STEM) departments, accounting for approximately **26%**.

The Company is committed to continuing to maintain gender diversity and equality across the workforce, and has committed its senior management team to achieving greater gender equality over the next three years.

¹⁶ Eligible resorts include all resorts between one year after opening and two years before closing.

The Group sets up a hotline for anti-sexual harassment reporting, through which employees can contact the Commissioner in the first instance to deal with any complaints of inequality, discrimination and harassment. During the Reporting Period, no complaints related to discrimination and harassment were received by the Company. In addition, we also carry out topic trainings on anti-discrimination and anti-sexual harassment to increase employee awareness.

📄 Themed training on human rights, anti-discrimination and harassment

In October 2022, the Company held three themed trainings on "Human Rights", "Anti-Employment Discrimination" and "Anti-Sexual Harassment" to introduce knowledge of the laws and regulations, typical cases, company systems and risk prevention measures related to human rights, employment discrimination and workplace sexual harassment. The trainings consisted of online courses and offline courses. On-site training videos and training materials were uploaded to the online learning platform for employees to play back and watch. The three training sessions were attended by all employees, with an average training duration of 2 hours, and all passed the online exam.

The Group's industry covers a vast land of geographical areas. Hence, we encourage our subsidiaries to formulate corresponding anti-discrimination and harassment policies according to the specific conditions of the country/region where they operate.

📄 Club Med Diversity and Preventing Discrimination Policy

Club Med is committed to promoting equality in the workplace. The principles of diversity and non-discrimination have also been included in Club Med ethics charter, and focused its activities on three key areas:

👤 Gender

Commit to bridging the gender gap at all levels and eliminating gender barriers and biases.

Club Med has signed a series of workplace gender equality agreements with employee organizations and has taken a number of safeguards to promote gender equality in the workplace in terms of hiring, promotion, remuneration and reconciliation of private and professional life, in particular by maintaining remuneration during paternity leave.

👴 Age

Commit to creating a working environment that encompasses multiple generations, regardless of age.

Club Med has signed intergenerational agreements with employee organizations, including provisions to protect the rights of employees over 50 and to provide career development training and opportunities for younger employees.

♿ Disability

Commit to providing more employment opportunities for people with disabilities and creating an equal and inclusive work environment.

During the Reporting Period, in France, Club Med reaffirmed its commitment to integrate people with disabilities into its workforce, extending it to 2023, and set a target: people with disability are welcomed and their needs will be responded timely after onboarding to maintain their employment.

Political rights and right to freedom of association

On the premise of complying with local laws and regulations and company policy requirements, we respect employees' political rights such as the right to freedom of association, the right of collective bargaining, and free election and voting rights. We also respect the rights of employees around the world to join, form or not join various labor organizations, and are committed to conducting friendly dialogues and collective bargaining with labor unions or employee representatives. Both the Company and subsidiaries of the Group have established labor unions and carried out activities within their respective jurisdictions.

Club Med actively encourages social dialogue organization



Club Med staff representatives in France form the Economic and Social Committee, which participates in meetings on the company's major economic situations, strategic directions as well as any matters affecting the company's operations and management structure; In 2022, employee representatives actively engaged in dialogue and reached an agreement on working hours and remote working in a resort.

At European level, employees from several countries, including France, Italy, Switzerland and Portugal, have come together to form the European Social Dialog Committee (ESDC), which holds meetings twice a year on matters of importance to the company's employment, development and corporate social responsibility.

Across the world, social dialogue is developed closest to the ground with elected employee representatives at almost all sites (resorts and head offices). These teams meet regularly at each site, in facilities and with resources provided by Club Med. Agreements are negotiated at either the national level or at the establishment level with the country or regional HR managers.

Preventing child and forced labor

We strictly abide by laws and regulations of the countries/regions where we operate and prohibit child labor through rigorous identity review process. In addition, the Group has formulated remedial procedures and measures for the employment of child labor. Once child labor is found, we will stop his/her work immediately and report to the local labor department, and conduct health checks to ensure that no physical or mental harm has incurred. At the same time, we prohibit and do not support any form of servitude or forced labor and ensure that employees engage in work on a voluntary basis. During the Reporting Period, there was no material violation of labor standards in any form in the Group.



Promoting Employees' Personal Growth

Training employees in communication and continuous creativity is at the core of the Group's talent development strategy. We established a complete training system, and formulated an all-round incentive mechanism to provide employees with job opportunities for internal growth and global mobility, and help more employees achieve self-development and value realization.

Talent Training

Being committed to the development of a global talent system, our Innovation and Leadership Lab provides employees with special talent development and training programs each year in accordance with the Company's development strategy and human resources planning. During the Reporting Period, we invested a total of RMB 7,500,000 in employee training.

We actively develop a comprehensive Fosun Tourism training system, and have sub-divided the Innovation and Leadership Lab into four parts, i.e. the industry empowerment center, the high potential talent center, cultural exchange center and innovative experiment center. We have launched more than 50 training programs through the constantly enriched internal and external training channels to ensure quality and diversified training opportunities for each employee and gradually expand the talent pool of Fosun ecosystem.



Industry empowerment center

We regularly organize industry training for business empowerment, such as coach club, new employee training, strategic focus sharing and business line lecture.

Since the launch of the "Coach Club Program", we have carried out 42 activities altogether (12 activities during the Reporting Period), which engaged all members of the Group. The club concerns four themes, i.e. Hotels & Resorts, Destinations, Lifestyle, and Marketing & Finance, with a number of Group executives serving as club coaches. Members of the club listen to the coaches' sharing on site, participate in brainstorming topic discussions and make suggestions for practical business issues raised by the coaches.



Coach Club Activities

High potential talent center

We always attach great importance to the leadership training and the review and cultivation of high-potential talents. During the Reporting Period, we conducted 16 sessions of leadership training both online and offline, including train the trainer (TTT), communication skill, motivation skill and situational leadership.

Meanwhile, we carried out various growth programs for high-potential employees from all business lines, including Chairman & CEO Class, CHO Training Camp for HR Department, CXO Camp, Fosun Youth Training Camp aiming at high-potential talents under 35 years old, and Key Talent Project of Club Med, so as to spot and cultivate more talents with the potential to be technical backbones and capable managers for Fosun ecosystem. Nearly 130 employees were involved during the Reporting Period.



CXO Camp

Cultural exchange center

Through cultural publicity and employee activities, we encourage employees to actively carry out inter-departmental and inter-discipline study and exchange, actively share new knowledge, and realize a virtuous circle within the team.

During the Reporting Period, Club Med and Atlantis Sanya made our service culture into courses and shared them with other Member Companies to help carry out regular training on service culture. By organizing the Fosun Tourism Talent Show, we encouraged those enjoying their lives in the Group to share their working and life styles, and provided employees with immersive experience. During the Reporting Period, we organized 6 talent shows.



Fosun Tourism Talent Show

Innovative experiment center

The innovative experiment center is responsible for the incubation of innovation projects, and is committed to providing employees with innovation training programs from multiple perspectives, fields and levels to help them achieve all-round development.



Innovation Projects Incubation

We are committed to laying a solid foundation for talent introduction and training by enhancing school-enterprise cooperation. During the Reporting Period, we officially cooperated with Shanghai Jiao Tong University and KEDGE Business School to carry out MBA courses, and worked with Shanghai Institute of Tourism to organize the 7th session “G.O Ambassador” program to facilitate student’s career pathway via structured and integrated brand training components. In addition, we also developed industry-university strategic partnership with universities such as Shanghai University of Sport, University of Sanya, Xi’an Eurasia University, Ningbo University and Shanghai Institute of Tourism.

Club Med Université des Talents

Club Med has created the Université des Talents as an important part of its talent development strategy, in line with its own operations. With the organizational network consisting in a powerful training team at a global level and in each business units, the Université des Talents constantly integrates and develops employees’ skills. Club Med APAC Training Centers in Lijiang, Bali and coming soon in Japan, are revolutionary approach by the APAC Université des Talents for learning and development. The training centers have been designed for G.Os and G.Es at all levels for ultimate training experience, and aim to ensure that all talents receive adequate skills and knowledge during the orientation period, adopt professionalism with Club Med’s spirit and get continuously empowered during their whole career.



During the Reporting Period, Club Med organized G.O Trainee Workshops targeting graduating students. Through the project training, a total of 30 fresh graduates successfully obtained G.O. offer in Club Med resorts and started their career.

The training centers will fully support the opening of new resorts in APAC, preparing the future through continuously development. Club Med also aims at developing the right competencies aligned to the right attitude and behavior in line with its DNA to enhance the level of expertise of talents and managers.

During the Reporting Period, the Group’s total training hours were 464,310 hours, and employees’ training percentage and average training hours by gender and by job level are as follows:

	2022	2021
Percentage of Employees Trained (%)	100%	100%
By Gender (%)		
Male	100%	100%
Female	100%	100%
By Job Level (%)		
Senior management	100%	100%
Middle management	100%	100%
Junior employees	100%	100%
Average Training Hours Per Capita (hour)	464,310	391,065
By Gender (hour)		
Male	33.0	30.2
Female	33.0	30.2
By Job Level (hour)		
Senior management	25.5	32.6
Middle management	31.0	31.2
Junior employees	34.0	30.0

Note:

(1) Percentage of employees trained by category = number of employees in the specified category who took part in training during the Reporting Period / number of employees in the specified category at the end of the Reporting Period * 100%;

(2) Average training hours by category = Total number of training hours for employees in the specified category during the Reporting Period / number of employees in the specified category who took part in training during Reporting Period * 100%.

Remuneration Incentive

We follow the salary policies of the countries and regions where the workplaces are located, and on the premise of ensuring that the local minimum salary requirements are met, we set up incentive mechanisms in a scientific manner to provide employees with competitive remuneration incentives. We have formulated performance evaluation and incentive mechanism policies such as the *Provisions on Remuneration and Welfare Management of Fosun Tourism Group and the Reward and Punishment Management of Fosun Tourism*, and encouraged employees to continuously realize their value based on performance.

Remuneration incentive

The remuneration of our employees includes basic salary, performance bonus, special incentive, equity incentive, etc. Meanwhile, the short-term, medium-term and long-term remunerations are combined, and the cash and equity are matched, and resources are inclined to high-performance/high-potential talents.



Performance Bonus

All employees are entitled to performance bonuses, which are linked to the completion of the Company's performance and the results of individual annual performance assessments, and are calculated and distributed after the assessment.



Special Incentive

Special incentives include corporate value growth awards, BD incentive/innovative business sales bonus, etc., and employees with better performance output enjoy higher incentives and salaries. We have also formulated the *Recognition Plan of Fosun Tourism*, and selected the Values Star Award, the Annual Outstanding Individual Award and the Annual Team Award within the Group and its core subsidiary companies and incubators every year.



Equity Incentive

During the Reporting Period, we continued to reward qualified employees with options and equity interest, targeting senior managers and high-performing and high-potential talents of Fosun Tourism. 69 employees were rewarded with equity interests, and 64 employees were rewarded with options.

Performance appraisal

All employees of the Group are subject to multi-dimensional performance appraisals, and the results of performance appraisals are used as the basis for measuring employees' work achievements and professional abilities and are combined with remuneration incentives. The Group has been constantly exploring the incentive mechanism for talent development adapted to the process of globalization, and is committed to ensuring the fairness, effectiveness and continuity of incentives.

During the Reporting Period, we updated the *Performance Management Measures of Fosun Tourism*, and introduced the Objectives and Key Results (OKR) performance system, which were implemented among all members of the Group. In the annual performance evaluation process, an employee needs to perform self-evaluation, and then the direct supervisor will fairly and objectively perform comprehensive appraisal based on the employee's general performance, colleagues' opinions and the management of OKR goals. The Group implements predetermined development and incentive policies based on the results of each employee's performance evaluation. We attach great importance to performance communication and feedback throughout all aspects of performance management.

Career development

As a multi-national company, we uphold the concept of "global interaction and talent sharing" and are committed to creating a smooth and active mechanism for internal talent flow, and cultivating talents' multi-discipline and multi-dimensional capabilities through global rotation of employees. Through the establishment of a comprehensive grade and level system of the Group, we set clear promotion channels, strengthen the construction of talent pool, and build the "soft power" of globalization. During the Reporting Period, 15% of open positions were filled by internal candidates, either promoted or transferred internally.

In 2020, we began to implement the Fosun Tourism Partners mechanism, which selects Travel Partners from among senior executives, business leaders and service champions who have served the Group and its subsidiaries more than two years in the position of the core management. As elites from Fosun Tourism's top talent pool, the partners hold regular meetings and discussions to ensure the inheritance of the Company's cultural values, the implementation of strategies and the sustainable and stable development of the business.

During the Reporting Period

5 Fosun Tourism partners and **12** business line partners were newly elected according to the latest selection criteria for Fosun Tourism partners, among which **13** were foreign employees.

As of the end of the Reporting Period

There were **62** Fosun Tourism partners, including **30** female partners, accounting for **48.4%**.



Fosun Tourism Growth Star Management Trainee Program

We provide a generous remuneration package and professional training programs for selected fresh graduate candidates, including a mentor team consisting of senior executives from various business lines of Fosun Tourism, personal development plans and accompaniment, regular debriefings and multi-dimensional appraisals. The training program spans three years. In the first year, management trainees go through short-term rotations in multiple departments, and in the second year, they enter the professional field for rotations, learning to handle key and difficult businesses and growing into front-line or comprehensive managers, and finally, in the third year, they begin to take on higher-level jobs. The program contributes to expanding the talent pool of young partners by developing future technical and general management talents for the Company. Currently, there are three management trainees. They are taking rotation study in human resources, marketing and finance respectively.

Improving the Sense of Happiness

We focus on listening to our employees and carry out rich and diverse employee care activities to help them achieve work-life balance, while paying attention to their physical and mental health and providing protection for their occupational health and safety.

Equal Communication

We conduct satisfaction or engagement surveys for all employees at the group level twice a year, as well as special surveys on special issues concerned to employees. During the Reporting Period, the engagement survey at the Group level involved 974 employees. 82% of the questionnaires collected were valid, and the employee satisfaction score was 87.4. We summarized and analyzed the feedback, and made targeted improvement to the management mechanism for the issues identified. Besides, we also encourage our Member Companies to conduct employee satisfaction survey to improve employee satisfaction.

Atlantis Sanya

Every year, Atlantis Sanya conducts CES (Current Employment Statistics) survey to find out employees' evaluation on 10 dimensions, such as work/life balance, diversity and inclusion, career development opportunities, talent and staffing, and reward and recognition. During the Reporting Period, Atlantis Sanya carried out the yearly CES survey as scheduled, involving 2,088 employees with a coverage of 99.2%. Atlantis Sanya scored 4.79 out of 5 in the survey. In addition, Atlantis Sanya also organized an employee responsibility survey that involved 99.4% of our employees, and scored 4.89. Atlantis Sanya compiled the results of the research and shared them with all employees in the form of a report and implemented improvement measures for the corresponding departments.

In addition, Atlantis Sanya set up The Voice function in the corporate WeChat, where employees can submit suggestions and demands regarding their work and life through mobile phones. Atlantis Sanya will quickly seek for solutions for their concerns.

Club Med

Club Med is committed to improving the well-being of its employees. In 2014, Club Med officially launched the "GO®-GE Voices" project. The project consists of an online questionnaire dealing with subjects such as pride, integration, sense of belonging, management, development and work environment, which has been translated into more than 20 languages and is launched every two years for employees worldwide. At the same time, Clube Med involves third party HR professionals in the analysis of the results and the development of improvement actions plans.




In the latest questionnaire survey conducted in 2021 to 2022, the satisfaction rate for GO®-GE was 92% (a 2% increase compared to 2018). In addition, from the questionnaire, Club Med also received feedback on areas in need of improvement, such as internal career opportunities and compensation.

Club Med launched this latest internal campaign "GO®-GE Voices" with Obea, an independent firm specialized in Human Resources and opinion surveys, in a bid to listen to the voice of our employees.




Occupational Health and Safety

Our commitments by 2030

Target

-  Establish safety & health management system according to ISO 45001 and other international standards, to continuously create a safe and healthy working environment for employees
-  Reduce Lost Time Injury Frequency Rate (LTIFR) by 15% (2019 baseline)
-  Achieve 100% attendance rate of employee safety and health training

2022

-  Established internal audit system in accordance with ISO 45001, including 7 chapters such as management system, occupational health and safety and public hygiene and completed 38 EHSQ audits, constantly improving a safe working environment for our employees
-  The LTIFR in China is 3.88, reduced by 71% compared to 2019 and the global LTIFR is 16.63
-  100% employees received safety and health related trainings

Safeguarding employees' health and safety is a basic principle and bottom line of the Group. We strictly abide by the laws and regulations of China such as the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and those of the countries and regions where we operate, and also formulated the Group's EHSQ policy and the *Fosun Tourism EHSQ Performance Index Management System*. We adopt a robust safety management system to support the implementation of occupational safety and health prevention and control measures, employee safety awareness training and accident investigation. Each subsidiary has established a safety committee responsible for implementing preventive measures to help identify and manage occupational safety and health hazards, and review occupational safety and health incidents. The safety committees also conduct regular meetings.

In order to clearly assess our progress, the Group has set 2030 health and safety performance target. Aiming to promote the achievement of the goal, we established a comprehensive health and safety management system and approaches, and performed regular reviews.

The Group had no work-related fatalities in the past three years. The Group's safety and health related key performance indicators for the Reporting Period are listed in the table below.

Work Injury	Female	Male	Total
Lost Days (day)	3,673	5,334	9,007
Lost Time Injury Frequency Rate* (LTIFR) (%)	18.63	15.32	16.63
Lost Time Injury Frequency Rate (LTIFR) (%) in China	3.90	3.87	3.88

Note:

Lost Time Injury Frequency Rate (LTIFR) = (number of lost time injury/ total working hours) × 1,000,000

Occupational health management

The Group has taken a series of measures to minimize the negative impact on health and safety arising from operations, including but not limited to the establishment of occupational health management system, continuous review and development of safety contingency plans, implementation of regular safety audits, and provision of personal protective equipment. The subsidiaries such as Atlantis Sanya, Club Med and FOLIDAY Town carry out their own occupational safety and health management in compliance with the Group's requirements.

Occupational health management system

We regularly review our safety and health policies and management systems to ensure compliance with legal requirements and industry standards. We implement relevant protection measures to constantly control and reduce occupational health and safety risks.

Atlantis Sanya

During the Reporting Period, Atlantis Sanya continued to promote occupational health and safety management and strengthen the Occupational Health and Safety Management System (OHSMS). The main measures included:

- Regularly conducting comprehensive hazard identification and assessment
- Formulating the *Occupational Disease and Hazard Emergency Rescue Plan*
- Strengthening the ability to respond to occupational disease emergency events
- Engaging professional medical personnel and emergency personnel
- Providing employees with necessary labor protection products
- Organizing regular physical examination for employees at special posts

Club Med resorts

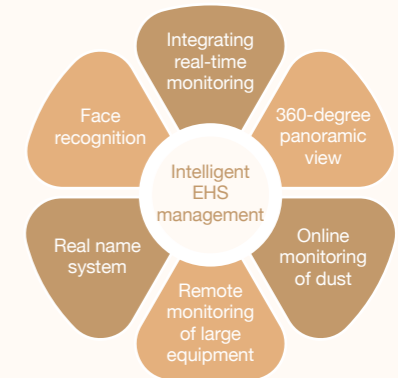
Club Med implements occupational health and safety protection through its SHH department and its network of coordinators.

Most resorts providing scuba diving and infancy services provide an onsite advising doctor. Most Club Med resorts have a permanent nurse in the team. All resort are situated or organized in a way to be able to provide health service onsite or nearby. Meanwhile, based on lessons learned from the accidents in the resorts, Club Med has implemented prevention and protection measures treating the accidents root causes. Club Med also provides occupational health and safety training for employees through the GO®-GE Awareness Module.

Sensible to prevention of AIDS, Club Med has been providing employees with free condoms and the possibility to consults since 1985.

FOLIDAY Town's smart protection of work safety

To protect the safety at the construction site of the FOLIDAY Town project, we have formulated relevant management plans with reference to national standards and regulations. We have defined and developed contingency plans such as the *Emergency Response Plan for Accidental Events* and the *Emergency Response Plan for Typhoon and Flood Control* based on various accident categories, including construction accidents, construction site hygiene, hazardous materials and fire, and assigned a working team to assist in monitoring and managing occupational safety and health risks associated with construction sites. We also provide personal protective equipment on site, hold regular Work Safety Month, and conduct regular safety training for employees and contractors to protect them from safety or health hazards.



During the Reporting Period, we continued to promote the intelligent site management system in Taicang FOLIDAY Town project and implemented intelligent EHS management which is integrated with various means such as integrating real-time monitoring, 360-degree panoramic view, online monitoring of dust, remote monitoring of large equipment, real name system and face recognition.





Considerate Care

The Group values employee care and provides employees with diversified welfare. On top of the mandatory employee benefits as required by the countries and regions where we operate, we adopt additional welfare package to improve employees' well-being. We also care about the physical and mental health of our employees, and organize regular employee care activities and occasional employee health lectures to help raise employees' awareness of healthy living. During the Reporting Period, we organized singing contest, opened free consultation hot line and gave mental health lectures during the pandemic outbreak in Shanghai. When Sanya was locked down due to the pandemic, we organized free medical healthcare consultation and mental healthcare lectures. In addition, we held health and wellness week, flea market, employee birthday party, intracompany sales party, food tasting party, insurance knowledge lecture, children's first aid training, and AED first aid training. Meanwhile, the Group has organized the Fosun Tourism Fitness Club to carry out various sports activities for the club members every Tuesday and Thursday, such as aerobics, table tennis, badminton, fitness walking and kickboxing dance.

Statutory welfare



All employees are entitled to social insurance, housing fund, annuity or pension, and other social security schemes in accordance with the regulations of their countries and regions. 100% of our employees are covered by social insurance.

Additional benefits



Commercial insurance: We buy group supplementary medical insurance, group accidental injury insurance, group major illness insurance, group traffic accident insurance, group life insurance and group travel insurance for all employees.

Allowances and gifts: Communication allowance, transportation allowance, working lunch, wedding gift, birth gift, birthday gift, funeral condolence money.

Physical examination: We buy medical insurance for employees every year, and employees can have an annual physical examination, health consultation appointment, post-examination review and other services.

Occupational health training

To ensure that the safety and health management measures are effectively implemented during the construction, we conduct occupational health training on a regular basis. For training details, please refer to the *Operation Safety* section of the Report.

Meanwhile, Club Med has been running the GO®-GE Awareness Module since 2013, with an intention to raise employees' awareness of the effects of health, lifestyle, harassment, risk behaviors, addictions, drugs and alcohol on their own health and safety, and training records will be tracked.

Care for mental health

We take various measures to take care of employees' mental health, including organizing free medical and health consultations and mental healthcare lectures. Club Med has incorporated the psychological risk assessment of employees into its occupational health and safety policy, to enhance the care of employees' mental health.



First Aid Training



Flea Market

06

Coordinated Development

The Group is committed to developing a responsible supply chain and creating eco-friendly and responsible holiday experience. We continuously optimize management of our supply chains, in which each link related to procurement bears social and environmental responsibility. In the meantime, we are fostering a sustainable business model featuring coordinated development with local suppliers.

129 SUPPLY CHAIN MANAGEMENT

131 RESPONSIBLE PROCUREMENT

139 COOPERATION FOR WIN-WIN RESULTS



During the Reporting Period, the Group won the “2022 Outstanding ESG Leadership of China Hotel Supply Chain” at the 13th China Hospitality Purchase and Supply Summit.

Supply Chain Management

The Group has laid out internal management policies such as the *Fosun Tourism Group Cost Contract Management System*, establishing standardized processes and mechanisms including supplier admission and registration, maintenance and assessment, dismissal and punishment. The Group has also implemented graded management of suppliers to fully guarantee the scientific and effective management of procurement and suppliers. Through all these measures, responsible procurement has been integrated into each procedure of supplier management.



Admission and Registration

A strict inspection process for selecting suppliers was in place. Prior to the admission of candidate suppliers, we will conduct inspections on them and produce an *Enterprise Supplier Investigation and Assessment Form*, which shall be jointly signed by all the inspection panel members before the procedure of examination and approval of selected ones.



Maintenance and Assessment

All selected honoring suppliers must be evaluated every half year for upgrade, downgrade and dismissal in accordance with regulations.



Dismissal and Punishment

The suppliers who are assessed as unacceptable in two straight years or those with poor integrity and violation of *Integrity Agreement*, will be “blacklisted” and forbidden to bid in the projects of Fosun Tourism for two years.



Supplier performance assessment of Atlantis Sanya



In 2022, Atlantis Sanya performed annual performance assessment on **319** suppliers with which it maintained long-term partnership.

Among them, **261** suppliers passed the assessment, and **49** suppliers failed. The failed ones were offered **3** months for rectification.

After rectification, **40** suppliers met the standards, **9** suppliers were unqualified and thus failed to continue the cooperation with Atlantis Sanya.

As of December 31, 2022, we have 5,012 suppliers in the world, which are divided by region as follows:

Suppliers by Geographical Region		
Region	2022	2021
America	1,522	1,245
Europe, Middle East and Africa	1,898	1,566
APAC	1,592	1,611
Total	5,012	4,422

Responsible Procurement

We have been committed to responsible procurement, embedding sustainability commitments at every stage of the procurement process. We attach great importance to supply chain ESG risk management and incorporate supplier social responsibility performance into supplier selection and evaluation, and are committed to spreading the concept of sustainable development in our supply chain management system. In addition, by actively promoting local procurement, we stay committed to producing and providing more responsible and traceable products and services.

Fosun Tourism Responsible Procurement Management

Principles

[ESG Policy of Fosun Tourism Group Supply Chain Management](#)

[ESG Regulation for suppliers of Fosun Tourism Group](#)

[Fosun Tourism Group Supplier Code of Conduct](#)

[Suppliers Integrity Agreement](#)

Assessment and improvement

On-site review

Annual review

Irregular review

Industry exchange

Supplier conference

Supplier forum

Quality supplier award

Responsible procurement seminar

Risk assessment

ESG access review for suppliers

Level and category-based supplier risk management

ESG self-assessment questionnaire for suppliers

ESG on-site review for suppliers

Training and coaching

ESG online sessions

Materials sharing

Regular communication and interaction

Code of Conduct for Suppliers

During the Reporting Period, we updated the [Fosun Tourism Group Supplier Code of Conduct](#), and further defined the main principles for suppliers to follow in conducting business activities:



- A.Human rights
- B.Fair labor conditions
- C.Environment, health, safety and quality management
- D.Business ethics
- E.Safe business operation
- F.Sustainable business operation

We have added the sustainability of suppliers' business operations to the list of key principles, focusing on suppliers' performance in areas such as conflict minerals and animal welfare.

In addition, to improve suppliers' ESG performance, during the Reporting Period, we produced training videos and courseware on human rights, anti-discrimination and workplace sexual harassment for suppliers to learn. The average training duration of suppliers was 0.38 hours.



During the Reporting Period, 100% suppliers signed the [Fosun Tourism Group Supplier Code of Conduct](#).



Supply Chain ESG Management

Progress Tracking of 2030 Sustainable Development Goals

Target

-  Continuously improve local procurement
-  Encourage suppliers to set environmental protection targets and verify their environmental protection behaviors through supplier audits

2022 Progress

-  Club Med local procurement proportion reached 89%
-  The proportion of local procurement in China reached 69.21%
-  69% of key suppliers in China had taken ESG audited by the Group headquarters
-  100% food and 72% construction raw material suppliers of Atlantis Sanya and Club Med Lijiang have been audited

During the Reporting Period, based on the *ESG Policy of Fosun Tourism Group Supply Chain Management* and other relevant policies and regulations of the Group, we formulated the *ESG Regulation for suppliers of Fosun Tourism Group*. We newly set ESG management goals for supplier management, and defined the ESG management measures for suppliers in the whole process concerning supplier admission, selection of key suppliers, identification and control of supply chain risks, ESG assessment, rectification and termination. Meanwhile, we officially introduced ESG considerations to the existing supply chain management strategy and in every link of the supply chain, sparing no effort to develop a sustainable supply chain.

Supplier access

When selecting suppliers, we review the ESG performance of suppliers by means of on-site investigation, questionnaire survey, interview with stakeholders, external data base, news observation, and third-party evaluation. The Group will not cooperate with any supplier involved in major environmental accidents, infringement of employees' rights and interests, or corruption within three years. For suppliers not involved in the aforesaid situations, we will conduct ESG review and assessment on them. Only those above the passing line could be listed as candidate suppliers.

Identifying key suppliers

Subsidiaries of the Group are required to select suppliers, consolidate the *List of Key Suppliers or Service Providers* and manage them accordingly by grades.



For key suppliers, we perform on-site review and assessment before the cooperation, and conduct regular on-site review during the cooperation. In 2022, we identified **131** key suppliers, who were managed according to relevant requirements.

Risk identification, management and control of supply chains

Subsidiaries of the Group are required to identify existing or potential ongoing risks (food safety risks, work safety risks, building structure risks, etc.) that fit their own business characteristics. They should also update, on a yearly basis, the *List of Ongoing Risks in the Supply Chain* and the *List of Suppliers with Ongoing High Risks*, and develop corresponding risk control measures or implementation procedures in detail. We carry out key evaluation, management and control over key suppliers or service providers or those with ongoing high risks, so as to effectively avoid or reduce supply chain risks.

In 2022, we conducted supplier risk evaluation and no suppliers with ongoing high risks was identified.

Supplier ESG assessment

During the Reporting Period, the Group continued to improve the *Fosun Tourism Group ESG Rating Scale*, assessing the ESG risks and corresponding management competency of the suppliers from 5 aspects (i.e. labor, health and safety, environment, ethics and management system) and 62 risk points. Through supplier self-assessment and on-site review, all existing and future suppliers or service providers will be comprehensively assessed on ESG performance.

Suppliers have to complete self-assessment according to the *Fosun Tourism Group Supplier ESG Rating Scale* every year. ESG assessment must be conducted at least once every three years for existing suppliers. Existing suppliers on the *List of Key Suppliers or Service Providers* and the *List of Suppliers with Ongoing High Risks* are subject to self-assessment at least once every year, as well as on-site review and assessment at least once every three years.

Rectification and dismissal

Based on the assessment results, we make a comprehensive analysis of ESG risk exposure and management level of suppliers. Suppliers with a score rate lower than 80% are required to submit rectification plan within one week after inspection, and the next cycle of assessment will focus on the items rectified. For suppliers with a score rate lower than 60%, we will terminate our cooperation with them, until they get across the “passing line” after rectification. After then, they must continue to submit rectification plans and carry out rectification accordingly, until they attain a score rate higher than 80%. For those who are still unqualified after three times of rectification, the continued cooperation with them will be restricted.

During the Reporting Period, the Group’s cost procurement department conducted pilot ESG assessment on operational suppliers in China. The assessment and audit results are shown in the table below. In the future, we plan to involve 100% of suppliers in the ESG assessment, and further increase the proportion of supplier on-site audits.



Note:

Due to the impact of COVID-19, we had no substantive business cooperation with a certain number of suppliers during the Reporting Period, so they were not subject to ESG assessment.



Atlantis Sanya Helping suppliers achieve better ESG performance

In 2022, Atlantis Sanya performed ESG assessment for 111 suppliers. The assessment included: labor, health and safety, environment, ethics and management system. 10 suppliers scored higher compared to 2021.

In the ESG assessment carried out in 2021, Atlantis Sanya identified a supplier with issues in employee rights and interests (i.e. lack of complete attendance system, potential risk of excessive overtime work, improper storage of employee payroll records, and lack of training on employee rights and interests), and proposed rectification suggestions. In accordance with the rectification suggestions, the supplier introduced attendance equipment, improved the attendance management and the recording of work hour and payroll, and provided all employees with training on human rights, anti-discrimination, anti-corruption and business ethics. After rectification, the supplier scored much higher than before in the ESG assessment in 2022, and improved the rights and interests of its employees, and thus met the cooperation requirements.

Product quality and safety of suppliers

To reduce product quality and safety issues in the supply chain, the Group conducts regular performance evaluation and audit on food and construction raw materials suppliers. Atlantis Sanya has established a strict annual audit system for food suppliers, conducting routine qualification audit and on-site audit for food suppliers every year, and strictly controlling the food quality and safety of food suppliers. In 2022, Atlantis Sanya and Lijiang Club Med conducted food safety audits on 66 existing food suppliers, with an audit coverage rate of 100%. In addition, we also conducted on-site product quality audit on 13 suppliers of building raw materials, and the coverage rate reached 72%. For the unqualified suppliers found in the audit, corrective measures have been taken or relevant cooperation has been stopped.

In 2019, Club Med drew up a risk map of suppliers in high-risk food categories (e.g. fresh meat, fresh and frozen products) and, based on this risk map, requested the suppliers concerned to conduct annual self-assessments and, if necessary, on-site audits.

Occupational health and safety of contractors

The Group pays attention to the occupational health and safety of suppliers, and continuously optimizes the occupational health and safety management of contractors, taking occupational health and safety into account during the performance evaluation for contractors. We have formulated the *Fosun Tourism Group Management System for Permit to High-risk Work* and the corresponding *High-risk Work Approval Form* to further standardize the safety management of contractors. We also provide various training plans, covering fire safety, emergency handling, construction site safety, chemicals management, etc. to enhance the occupational health and safety knowledge and skills of on-site contractor workers.


Supplier Integrity Management


We are committed to fostering a culture of integrity and honesty in our operations and conduct regular integrity compliance training for all suppliers to enhance their awareness of integrity. As of the end of the Reporting Period, all of our active suppliers have signed the *Integrity Agreement*.

We require suppliers to avoid any form of corruption, extortion and bribery and to disclose to the Group any possible conflicts of interest as a co-supplier. We review supplier business ethics throughout the contract period, and conduct regular assessment on suppliers. Suppliers who have been proved unqualified in the evaluation and fail to bring out rectification measures and complete filing within five working days, or suppliers who have been proved unqualified in two consecutive years will be forbidden to bid in the projects of the Group. During the Reporting Period, we terminated the cooperation with 2 suppliers and blacklisted them, due to their violation of commercial ethics.


Meanwhile, we arranged anti-corruption trainings and awareness sessions in supplier management and exchange meetings, and we provided our suppliers with clear channels for complaints and grievances. During the Reporting Period, we introduced the means of whistleblowing through QR code to further ensure and monitor the implementation of the code of conduct. In October 2022, the Group provided online supplier integrity training for suppliers from Chinese mainland. The average training duration was 0.99 hours, the total training coverage was 95%, and the training coverage for key suppliers was 100%.


Fosun Tourism supplier management complaint channel

 Tel
+86 21 23150143

 E-mail
wangwq@fosunholiday.com

Fosun Tourism risk control and integrity whistle-blowing channel

 Tel
+86 21 23300629

 E-mail
foliday_compliance@fosunholiday.com

Whistleblowing through QR code



Conveying Sustainable Concepts

Responsible procurement

We promote the development of sustainable products and services, combining social, economic and environmental factors, to offer consumers more responsible consumption choices.

Responsible procurement measures of Club Med

Club Med has released a series of written purchasing Charters, including the *Seafood Charter*, and works with multiple international supply chain initiatives to implement the goal and commitment of sourcing sustainable products and local products, the targets including:

Providing eco-friendly products

- 100% of the coffee are certificated under the Fairtrade system;
- 100% of the paper products are sourced from manufacturers certificated by FSC (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification);
- With the launch of the “Bye-Bye Plastics” program, single-use plastic products are being removed from all resorts, and reusable and plastic-free alternatives are preferred thereafter.

Protecting the biodiversity and animal welfare in the supply chain

- Providing 100% cage-free egg products in the resorts located in Europe, Brazil and the United States by the end of 2025, and in other regions by 2027;
- Removing all products containing animal skin or fur from all Club Med stores by the end of 2022;
- From 2023, Club Med requires its suppliers to gradually implement the *Policies on Animal Welfare*, and the suppliers will be subject to animal welfare audit procedures.

Local procurement

The Group pursues the policy of prioritizing local sourcing. We believe that increasing the proportion of local sourcing will not only reduce transportation costs, improve supply efficiency and reduce carbon emissions, but also contribute to the environmental, social, economic and sustainable development of the local community.

For more cases about local procurement, please refer to the “*Supporting Local Community Development*” section of the Report.

Club Med has made a commitment to purchase **50%** of its fresh ingredients from local sources by 2030. During the Reporting Period, the Group's local procurement ratio in China reached **69.21%** and Club Med's local procurement ratio reached **89%**.



Cooperation for Win-win Results

We are committed to continuously improving the overall capabilities of suppliers through business communication and mutual assistance, and to enhancing the quality and efficiency of our suppliers' products and services through multi-parties interactions.

We have established communication channels with our suppliers. All suppliers can provide suggestions and communicate with us through the customer service center on the online bidding platform. We have also strengthened cooperation with suppliers through regular communication, visits, seminars, cultural exchanges, to learn from each other and make progress together.

Responsible procurement seminar

During the Reporting Period, Fosun Tourism participated in the Responsible Procurement Seminar themed on “Ecological Synergy and Responsible Growth” hosted by Fosun Global Supply Chain Center, and discussed with ecological partners about promoting the sunshine responsible procurement and boosting the construction of sustainable supply chain. Industry leaders for responsible procurement were invited to the seminar to share the excellent practices inside and outside Fosun Group, which were discussed in depth during the seminar.

Fosun Tourism played an active role at the responsible procurement seminar, and shared our mission of “Vacation brings a better life” and the concept of sustainable supply chain management, i.e. “we should undertake social responsibilities while improving supply chain resilience through iteratively upgraded ecological partnership system and local procurement; the relationship between cost control and sustainability is not necessarily antithetical, and it should be evaluated over the full life cycle.”



07

Give Back to Society

With the mission of "Vacation brings a better life", Fosun Tourism adheres to sustainable development principles, actively undertaking social responsibility and constantly creating value.

Fosun Tourism is committed to sharing the benefits with communities. Relying on the industrial ecosystem, we pay close attention to the demands of villages, communities and cities, design and build cultural tourism products based on the original resources of villages and communities. We actively contribute to rural revitalization and drive in-depth integration of urban and rural industries. At the same time, we actively carry out public welfare projects. Through various public welfare activities to fight against COVID-19, promote health, care for children and improve education, we drive the development of people's livelihood and give back to society.

143 SUPPORTING LOCAL COMMUNITY DEVELOPMENT

145 RESPECTING LOCAL CULTURE

148 PUBLIC CHARITY



Tracking of progress for 2030 sustainable development goals

Target

- Continuously improve local employment and procurement
- Promote local cultural communication

2022 Progress

- Continued to engage in public welfare activities concerning health and poverty alleviation, care for children, education programs, and cultural preservation, etc. The accumulated resources invested in public welfare were about RMB 4.09 million and the accumulated time invested were nearly 6,000 hours
- Club Med has taken local traditional culture into design, presented various local cultural creation works in the resort and hosted local culture promotion activities

Supporting Local Community Development

We are committed to promoting social harmony through our products and services, contributing to the well-being of families and the development of common prosperity. In 2022, we continued to work under the concept of "Common Prosperity". Taking into account social and cultural situation of the local community, we continued to help upgrade the cultural tourism industry, empower local communities and drive livelihoods and economic development.

Rural Revitalization

Through the Lijiang FOLIDAY Town project, we promote the development of local economy and livelihood based on the original resources in villages, and push forward local infrastructure construction for rural revitalization.

Lijiang FOLIDAY Town - Supporting rural revitalization

Promoting economic and livelihood development

We have been constantly promoting the online sales of Lijiang's local specialties. During the Reporting Period, "Lizishi", as well as other local brands we launched, were officially released on TCP to bring local specialties to all parts of China. In addition, we are committed to improving the local employment of Lijiang. Club Med Lijiang has provided nearly 200 jobs for the local people, effectively promoting the development of local economy and livelihood.

Pushing forward infrastructure construction

During the construction of FOLIDAY Town project, we laid sewage and gas pipelines for the local area, which put an end to the local tradition of direct discharge of pollutants into water bodies due to the lack of sewage and gas pipelines in Baisha, and greatly improved the living quality and convenience of local residents.

Community Building

As part of our globalization, we are actively promoting the localization of our employees in different regions, making full use of the Group's global resources to help solve local employment problems. Besides, we are committed to the coordinated development with local communities, and give priority to local ingredients and raw materials.

Club Med - Empowering local communities

Club Med constantly empowers local communities. Through local employment and local procurement, Club Med endeavors to eliminate local poverty, enhance the skills of local farmers, promote sustainable use of land, improve farm infrastructure, promote rural gender equality, provide customers with green and eco-friendly products made locally, and reduce GHG emissions. Club Med has made a commitment to purchase 50% of its fresh ingredients from local suppliers by 2030.

Since 2008, Club Med has partnered with the NGO Agrisud to enable local producers to supply Club Med villages, and to guide them towards more sustainable land use, based on the principles of agro-ecology. In 2022, Club Med supported 396 small farms, and more than 2,000 beneficiaries. More than 200 hectares of land was used for agro-ecology with an average of 20 varieties grown per program supported. From 2018 to the end of 2022, the project took place in 11 resorts in 7 countries. Club Med has provided a cumulative financial contribution of EUR 1,392,000 to small farms, 7,154 tons of crops in agro-ecology, with more than 416 tons of agricultural products having been delivered to Club Med resorts.

Due to the impact of COVID-19, a lot of farmers around the resorts have lost their income. To help them overcome the difficulties, since 2020, Club Med has worked with local organizations in Senegal and Indonesia to purchase local agricultural products and allocate the products to local residents. From 2021 to 2022, Club Med spent EUR 43,000 on purchasing local products, which benefited 17,000 local farmers. Meanwhile, Club Med allocated the purchased agricultural products to more than 1,000 local disadvantaged families.



Funding EUR **1,392,000**

Growing **7,154** tons of Crops

Provide more than **416** tons of Agricultural Products

Purchase EUR **43,000** worth of Products

which benefited **17,000** Local Farmers

Respecting Local Culture

Culture is the soul of culture and tourism industry. Fosun Tourism cannot achieve so much without wonderful diverse culture. Always putting respect, understanding, protection and inheritance of local culture at the center of our projects, we respect local ecology, cultural history and lifestyle, and manage to engage in, integrate with and adapt to each other, in a bid to inherit local culture through protection.

Cultural Preservation

Through the integration of culture and tourism, we actively give cultural heritage's social and cultural value into full play, and "bring cultural heritage to life".

Aware of the mission of protecting and spreading local culture, we fully explore the internal aspects of local cultural development at the designing stage of projects while seeking innovation. To share local cultural memories and stories with people from all over the world, we constantly integrate traditional culture into our tourism and holiday products, and develop traditional culture-related activities to enhance the cultural value of our tourism projects, and at the same time protect and reasonably utilize the unique local ecosystem.

Club Med cultural protection measures

Club Med villages have always been steeped in local culture, as can be seen from their architecture, decoration, vegetation, cuisine and so on. The activity programs offered also reflect local practices, frequently through lessons in dance, cooking and languages, lectures on the host country, as well as night or all-day-long activities for immersive experience of local culture.

Since 2008, the Discovery Centers at all African and European resorts have displayed a Charter on respecting local hosts, their culture, environment and economy, and distributed it to all GM® going on excursions. As part of ATR (Agir pour un Tourisme Responsable) certification for the discovery Tours by Club Med, the Handbook for Guides was revised to provide even better training for our guides in terms of respect for cultures, people and environmental protection.

Club Med Lijiang Resort - Protecting traditional culture

Under the premise of respecting the local culture of Lijiang and protecting the religious beliefs of various ethnic groups, Club Med Lijiang Resort preserves and passes on intangible cultural heritage and integrates the traditional culture with the tourism.



Taking traditional Naxi culture into consideration, the design of Club Med Lijiang Resort follows the characteristics of Naxi folk houses, and integrates Naxi aesthetics with contemporary life to create courtyard buildings.

With the building of the Lizishi Cultural and Creative Space, Club Med Lijiang Resort aims to extract the quintessence of local intangible cultural heritage, ecological and folk culture in Lijiang for artistic re-creation, and has presented various intangible cultural creation works, such as tie-dye, natural brooch, yakwool products, tile cat, gold and silver incrustation and Naxi Bantao.



In addition, Club Med Lijiang Resort actively hosts local culture promotion activities. During the Reporting Period, Lijiang Resort organized a series of activities, including "New Year Art Exhibition of Yunnan Mountainous Lifestyle", "Sanduo Festival. A Different Lijiang" and "Lijiang Intangible Cultural Heritage and Outdoor Sports Festival", to show the visitors the local culture of Naxi and other ethnic minorities in Lijiang.

Cultural Inheritance

Taking into consideration the history and culture of the city, Taicang FOLIDAY Town achieves both social and commercial benefits with creative solutions. Located near the Yantietang - Xinliu River water area, Taicang FOLIDAY Town has unique geographical location, history and culture. To proactively cooperate with the Taicang government to promote urban cultural tourism, we have made a written proposal on building water projects, including the construction of a “meeting room above the water”, in which both local residents and incoming tourists can explore the “water tour route” by boat. Through the water tour route project, Taicang FOLIDAY Town demonstrates the history, culture and scenery of the city and drives the development of whole-city tourism.

Taicang FOLIDAY Town - Passing on the culture of the city

Trace back the history of the city

- Display the city living on “water”
- Reflect the features of “water”
- Promote cultural inheritance



Showcase the image of the city

- Help connect all parts of the city
- Showcase the image of a riverside city
- Comprehensively improve the urban tourism image of Taicang



Driving effect of FOLIDAY Town

- Enrich tourism resources, and innovate product forms
- Drive the whole-city tourism development with engine projects
- Create jobs, and provide employment opportunities



Public Charity

Since the establishment, the Group has been committed to giving back to communities and actively participating in public welfare activities. We deliver joy and happiness to the world through anti-pandemic, health promotion, children care, education improvement and other public charity activities.

During the Reporting Period, the Group made contributions in the following public welfare undertakings:

Philanthropy investment	2022
Cumulative time commitment (hours)	5993.5
Cumulative resources invested (RMB)	4,093,349
Including: Cash donation (RMB)	3,268,797
Including: Goods donation (RMB)	824,552



Fighting against COVID-19

Faced with major public health incidents that threaten communities, Fosun Tourism actively undertook its corporate responsibility, lending a hand to weather the storms.

Support for fighting against the pandemic

During the Reporting Period, there were pandemic outbreaks in Jilin, Shanghai and Hainan. In March 2022, Club Med raced against time to help guests caught in the outbreak of COVID-19 cases leave Jilin before lockdown. We engaged resources to carry out 3 rounds of nucleic acid tests for hotel guests and staff of Club Med. In the face of the traffic lockdown in Jilin, we arranged 4 buses to transport all guests out of Jilin safely. Meanwhile, despite the regional traffic lockdown, we integrated social resources and delivered 33,340 antigen test kits to Jilin in time after a 2,230 km journey, helping Jilin walk out of the pandemic.



In April, when Shanghai was under the overall static management, Thomas Cook, a brand of Fosun Tourism, took advantage of its digital platform and channel connecting capabilities, and coordinated the resources of Fosun Tourism to supply anti-pandemic materials. Particularly, the “recruitment of food ordering service team leaders for communities in Shanghai” was initiated by Thomas Cook to help Shanghai People overcome the difficulties in buying food during the pandemic outbreak.

Besides, Fosun Tourism organized the “A New Start in Spring – Fosun Tourism Public Welfare Concert on the Cloud”, in attempt to heal each other's hearts with the humblest intention and the warmest songs in such a special period caused by the pandemic lockdown, and an online tour to places around the world.



In August, in respect to the temporary overall static management in Sanya, Atlantis Sanya actively responded to government calls, and provided the stranded guests with various services and assistance, such as 50% extension discount, catering discount packages and contacting for return.



Meanwhile, pandemic prevention measures were strictly implemented at the resort to protect the health and safety of customers. At the same time, Fosun Tourism joined hands with Fosun Foundation to support Sanya, and donated supplies to the Sanya Red Cross for many times. We donated 20,000 N95 masks, 4,000 pieces of protective clothing, 4,000 pairs of medical boot covers, 4,000 quick-drying clothes and 16,116 ice packs, and contributed to winning the battle against the pandemic.

Promoting Health

Amid the rapid development, Fosun Tourism is also committed to promoting the social health undertakings.

Fosun Tourism continues to support the rural doctor project of Fosun Foundation. In particular, we pay attention to primary-level doctors and initiate rural doctor projects, so as to improve rural doctors' professional competence and create favorable work conditions for them.

In 2022, we donated a total of RMB 121,970.64 through Fosun Foundation, providing clinics in Wuzhishan City, Qiongzhong County, Baoting County and other locations of Hainan Province with medicine cabinets, computers, physiotherapy instruments, allowances, etc. to improve the medical conditions of local clinics. Besides, we also actively visited rural hospitals and clinics, where we set up files for rural doctors and donated critical disease insurance to protect them.



Through Fosun Foundation cumulatively donated

RMB 121,970.64

In addition, to show our respect for all medial workers on the front line of fighting against the pandemic, Atlantis Sanya offered all medical workers in Hainan Province free access to aquarium and waterpark from March 2022 to 31 December 2022. Medical workers in Hainan could visit Atlantis aquarium and waterpark for free with valid certificates.



Caring for Children

It is our commitment to support and protect children's rights. With our influence, we want to prevent potential negative impacts on children's rights arising from operations and services, and stay committed to creating an environment in our operations that promotes children's rights to health, education and leisure.

Also, a procedure for reception staff at high-risk destinations to ensure identification of underage guests was put in place and is since then upgraded regularly, and our employees are trained accordingly on a regular basis, just to protect the safety of children. At the same time, Club Med is committed to fighting against sexual exploitation of children in tourism. In 2005, Club Med signed a cooperation agreement with ECPAT, and jointly published leaflets on the initiative against sexual exploitation of children, which have been regularly sent to the guests visiting resorts in high-risk destinations since then. The leaflets have been replaced by digitalized information in a more sustainable way since a few years ago.



Supplementary information

ECPAT is an international non-profit organization, with presence in more than 70 countries around the world. It aims to cut down child prostitution, child pornography and the trafficking of children for sexual purpose. Many tourism professional bodies work with ECPAT to protect children from sexual exploitation in tourism industry.

Atlantis Sanya organized a charity sale campaign in February 2022, and donated the proceeds of the sale to Sanya Bright Connection Brain Disabled Children's Center. Meanwhile, employees were encouraged to visit and help children adapt to social life in the future.



In addition, to attract more attention to rural children, during the "99 Giving Day" in 2022, Fosun Tourism built the "Fosun Tourism Happiness Team" to raise funds for "Cloud Box | Mobile Art Class" and "Children Caring Program". This action brought various interesting art classes to rural children as well as menstrual care kits and classes to rural girls, and encouraged more people to pay attention to the safety and growth of rural children. Fosun Tourism raised RMB 6,395.11 and RMB 11,794.34 from the two programs respectively.



Education Plan

Education takes precedence in rural revitalization. With a positive sense of social responsibility, Fosun Tourism is willing to play its own part in promoting accessible and fair education, bringing love and sunshine to more children in need, and letting knowledge guide them to their dreams and a brighter future.

Lijiang FOIDAY Town - Supporting children education

During the Reporting Period, Lijiang FOLIDAY Town invited all the teachers and students of Yulong Primary School in Yulong Village, Baisha Town of Lijiang for project experience. RMB 5,600 worth of materials including stationeries, clothes and school supplies were donated to students in the school. All the teaching and administrative staff in the school were invited to visit the Lijiang FOIDAY Town on the Teachers' Day.



 The "One Hundred Libraries" program of Miniversity

During the Reporting Period, Miniversity continued to launch the public welfare dreamer program of "One Hundred Libraries" to develop the civic awareness and sense of social responsibility of children. Through public welfare practices, children can help each other for growth, and learn to solve real problems through practical work.

The program includes:

Building a library of the future from scratch, and developing a complete donation program for rural children;

With the launching of the "One Hundred Libraries" program, connecting urban schools with rural schools through library donation.

As of the end of the Reporting Period, we built 3 public welfare libraries, and built the Kunshan Camp as a long-term public welfare station for Miniversity. From 2021 to 2022, we donated a total of more than 10,000 books.



3

public welfare libraries



10,000

books

Employee Engagement

We encourage our employees to take part in various daily public welfare activities to make contribution to society. Gilbert Trigano, one of the founders of Club Med, created the "Club Med Foundation" in 1978 in attempt to mobilize our teams and resources to take part in the development of areas where the resorts locate. In 2022, Club Med donated EUR 442,000 to the foundation, and more than 300 GO® and GE were involved in 20 countries through nearly 250 projects. In addition, the Foundation also benefited from out of working hours volunteering by GO® and GE and solidarity donations on salary.

During the Reporting Period, International Women's Day and Tree Planting Day were celebrated in a number of Club Med resorts in China. Our team carried out various interesting activities to raise social awareness and deliver love and care to local employees. At Club Med Anji Resort, employees were encouraged to join the spring cultivation at the Sunshine Farm to make contribution to sustainable development, and at the same time to enhance team cohesion and promote the image of a sustainable brand.



Club Med donated to the foundation
EUR **442,000**

More than **300** GO® and GE were involved

Nearly **250** foundation projects in **20** countries



Club Med Tree Planting Day Activity



Club Med Sunshine Farm

Appendix

ESG Reporting Guide

KPI	Description	Section(s)	Page
A1	Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	Environmental Commitments and Management Policies	67
A1.1	The types of emissions and respective emissions data	Climate Change and Energy The wastewater and waste gas produced by the Group have no material impact on the environment, so data is not disclosed	72
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and, where appropriate, intensity	Climate Change and Energy	72
A1.3	Total hazardous waste produced and, where appropriate, intensity	Emission Management	96
A1.4	Total non-hazardous waste produced and, where appropriate, intensity	Emission Management	96
A1.5	Description of emissions target(s) set and steps taken to achieve them	Environmental Commitments and Management Policies Climate Change and Energy Emission Management	67 72 96
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	Environmental Commitments and Management Policies Emission Management	67 96
A2	Use of Resource		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	Climate Change and Energy Water Resource Utilization	72 84
A2.1	Direct and/or indirect energy consumption by type in total and intensity	Climate Change and Energy	72
A2.2	Water consumption in total and intensity	Water Resource Utilization	84
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Change and Energy	72
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Water Resource Utilization	84
A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced	Not related	/

KPI	Description	Section(s)	Page
A3	The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources	Environmental Commitments and Management Policies	67
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Biodiversity Protection	90
A4	Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	Climate Change and Energy	72
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Climate Change and Energy	72
B1	Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Building a Diversified Working Environment	108
B1.1	Total workforce by gender, employment type, age group and geographical region	Building a Diversified Working Environment	108
B1.2	Employee turnover rate by gender, age group and geographical region	Building a Diversified Working Environment	108
B2	Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	Improving the Sense of Happiness	121
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Improving the Sense of Happiness	121
B2.2	Lost days due to work injury	Improving the Sense of Happiness	121
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Improving the Sense of Happiness	121

KPI	Description	Section(s)	Page
B3	Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	Promoting Employees' Personal Growth	114
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Promoting Employees' Personal Growth	114
B3.2	The average training hours completed per employee by gender and employee category	Promoting Employees' Personal Growth	114
B4	Labor Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor	Building a Diversified Working Environment	108
B4.1	Description of measures to review employment practices to avoid child and forced labor	Building a Diversified Working Environment	108
B4.2	Description of steps taken to eliminate such practices when discovered	Building a Diversified Working Environment	108
B5	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	Responsible Procurement	131
B5.1	Number of suppliers by geographical region	Supply Chain Management	129
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	Supply Chain Management	129
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Responsible Procurement	131
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Responsible Procurement	131
B6	Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Responsible Operation Information Security and Privacy Protection Responsible Cultural Tourism	43 51 59
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not related	/
B6.2	Number of products and service related complaints received and how they are dealt with	Quality Improvement	53
B6.3	Description of practices relating to observing and protecting intellectual property rights	Code of Conduct and Compliance	22
B6.4	Description of quality assurance process and recall procedures	Quality Improvement Not related regarding recall procedures	53
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	Information Security and Privacy Protection	51

KPI	Description	Section(s)	Page
B7	Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	Code of Conduct and Compliance	22
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	Code of Conduct and Compliance	22
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Code of Conduct and Compliance	22
B7.3	Description of anti-corruption training provided to directors and staff	Code of Conduct and Compliance	22
B8	Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	Give Back to Society	143
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport)	Supporting Local Community Development Respecting Local Culture Public Charity	143 145 148
B8.2	Resources contributed (e.g. money or time) to the focus area	Supporting Local Community Development Respecting Local Culture Public Charity	143 145 148

GRI Contents Index

GRI Standards	Disclosure Title	Section(s)	Page
GRI 2: General Disclosures 2021	2-1 Organizational details	Our Business	13
	2-2 Entities included in the organization's sustainability reporting	About the Report	03
	2-3 Reporting period, frequency and contact point	About the Report	03
	2-4 Restatements of information	No Sgnificant Change	/
	2-5 External assurance	/	/
	2-6 Activities, value chain and other business relationships	Our Business	13
	2-7 Employees	Building a Diversified Working Environment	108
	2-8 Workers who are not employees	/	/
	2-9 Governance structure and composition	Corporate Governance	17
	2-10 Nomination and selection of the highest governance body	Corporate Governance	17
	2-11 Chair of the highest governance body	Corporate Governance	17
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainable Development Governance	32
	2-13 Delegation of responsibility for managing impacts	Corporate Governance	17
	2-14 Role of the highest governance body in sustainability reporting	Sustainable Development Governance	32
	2-15 Conflicts of interest	Corporate Governance	17
	2-16 Communication of critical concerns	Sustainable Development Governance	32
	2-17 Collective knowledge of the highest governance body	Sustainable Development Governance	32
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance	17
	2-19 Remuneration policies	Corporate Governance Promoting Employees' Personal Growth	17 114
	2-20 Process to determine remuneration	/	/
	2-21 Annual total compensation ratio	/	/
	2-22 Statement on sustainable development strategy	Chairman's Statement Board	05 07
	2-23 Policy commitments	2030 Sustainable Development Goals and Progress Sustainable Development Governance	31 32
	2-24 Embedding policy commitments	Sustainable Development Governance	32
	2-25 Processes to remediate negative impacts	Stakeholder Engagement	35
	2-26 Mechanisms for seeking advice and raising concerns	Code of Conduct and Compliance Building a Diversified Working Environment Responsible Procurement	22 108 131
	2-27 Compliance with laws and regulations	No Significant Instances of Non-Compliance with Laws or Regulations	/
	2-28 Membership associations	Ecological Protection Emission Management	90 96
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	35
	2-30 Collective bargaining agreements	Building a Diversified Working Environment	108

GRI Standards	Disclosure Title	Section(s)	Page
GRI 3: Material Topics 2021	3-1. Process to determine material topics	Materiality Assessment	37
	3- 2. List of material topics	Materiality Assessment	37
	3-3 Management of material topics	About Us Sustainable Governance Responsible Operation Care for the Earth Diversity and Equality Coordinated Development Give Back to Society	13 29 43 67 108 129 143
GRI 201 : Economic Performance	201-1 Direct economic value generated and distributed	Performance Highlights	09
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Change and Energy	72
	201-3 Defined benefit plan obligations and other retirement plans	Improving the Sense of Happiness	121
	201-4 Financial assistance received from government	/	/
GRI 202 : Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	/	/
	202-2 Proportion of senior management hired from the local community	/	/
GRI 203 : Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Supporting Local Community Development	143
	203-2 Significant indirect economic impacts	Supporting Local Community Development Public Charity	143 148
GRI 204 : Procurement Practices	204-1 Proportion of spending on local suppliers	Responsible Procurement Supporting Local Community Development	131 143
	205-1 Operations assessed for risks related to corruption	Code of Conduct and Compliance	22
GRI 205 : Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Code of Conduct and Compliance	22
	205-3 Confirmed incidents of corruption and actions taken	Code of Conduct and Compliance	22
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not related	/
GRI 206 : Anti-competitive Behavior	207-1 Approach to tax	Code of Conduct and Compliance	22
	207-2 Tax governance, control, and risk management	Code of Conduct and Compliance	22
	207-3 Stakeholder engagement and management of concerns related to tax	/	/
	207-4 Country-by-country reporting	/	/
GRI 207: Tax	301-1 Materials used by weight or volume	Not Applicable	/
	301-2 Recycled input materials used	Not Applicable	/
	301-3 Reclaimed products and their packaging materials	The Group does not involve in the use of packaging materials	/

GRI Standards	Disclosure Title	Section(s)	Page
GRI 302: Energy	302-1 Energy consumption within the organization	Climate Change and Energy	72
	302-2 Energy consumption outside of the organization	Climate Change and Energy	72
	302-3 Energy intensity	Climate Change and Energy	72
	302-4 Reduction of energy consumption	Climate Change and Energy	72
	302-5 Reductions in energy requirements of products and services	Climate Change and Energy	72
GRI 303: Water	303-1 Interactions with water as a shared resource	Water Resource Utilization	84
	303-2 Management of water discharge-related impacts	Emission Management	96
	303-3 Water withdrawal	Water Resource Utilization	84
	303-4 Water Discharge	Emission Management	96
	303-5 Water Consumption	Water Resource Utilization	84
GRI 304: Biodiversity	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecological Protection	90
	304-2 Significant impacts of activities, products, and services on biodiversity	No significant impact	/
	304-3 Habitats protected or restored	Ecological Protection	90
	304-4 IUCN Red List species and national conservation list Species with habitats in areas affected by operations	No impacted habitats	/
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Climate Change and Energy	72
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change and Energy	72
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change and Energy	72
	305-4 GHG emissions intensity	Climate Change and Energy	72
	305-5 Reduction of GHG emissions	Climate Change and Energy	72
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable	/
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not Applicable	/
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	Emission Management	96
	306-2 Management of significant waste related impacts	Emission Management	96
	306-3 Waste generated	Emission Management	96
	306-4 Waste diverted from disposal	Emission Management	96
	306-5 Waste directed to disposal	Emission Management	96
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Responsible Procurement	131
	308-2 Negative environmental impacts in the supply chain and action taken	Responsible Procurement	131

GRI Standards	Disclosure Title	Section(s)	Page
GRI 401: Employment	401-1 New employee hires and employee turnover	Building a Diversified Working Environment	108
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Improving the Sense of Happiness	121
	401-3 Parental leave	Building a Diversified Working Environment	108
GRI 402: Labor/Management Relation	402-1 Minimum notice periods regarding operational changes	Strictly abide by relevant national / regional laws and regulations	/
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	Operation Safety Improving the Sense of Happiness	43 121
	403-2 Hazard identification, risk assessment, and incident investigation	Improving the Sense of Happiness	121
	403-3 Occupational health services	Improving the Sense of Happiness	121
	403-4 Worker participation, consultation, and communication on occupational health and safety	Stakeholder Engagement Improving the Sense of Happiness	35 121
	403-5 Worker training on occupational health and safety	Operation Safety Improving the Sense of Happiness	43 121
	403-6 Promotion of worker health	Improving the Sense of Happiness	121
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Improving the Sense of Happiness	121
	403-8 Workers covered by an occupational health and safety management system	Improving the Sense of Happiness	121
	403-9 Work-related injuries	Improving the Sense of Happiness	121
	403-10 Work-related ill health	Improving the Sense of Happiness	121
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Promoting Employees' Personal Growth	114
	404-2 Programs for upgrading employee skills and transition assistance programs	Promoting Employees' Personal Growth	114
	404-3 Percentage of employees receiving regular performance and career development reviews	Promoting Employees' Personal Growth	114
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Corporate Governance Building a Diversified Working Environment	17 108
	405-2 Ratio of basic salary and remuneration of women to men	/	/
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Building a Diversified Working Environment	108
GRI 407: Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Building a Diversified Working Environment Responsible Procurement	108 131
GRI 408: Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	Building a Diversified Working Environment Responsible Procurement	108 131

Glossary

GRI Standards	Disclosure Title	Section(s)	Page
GRI 409: Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Building a Diversified Working Environment	108
		Responsible Procurement	131
GRI 410: Security Practices	410-1 Security personnel trained in human rights policies or procedures	Operation Safety	43
GRI 411: Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	No related events occurred	/
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Responsible Cultural Tourism	59
		Supporting Local Community Development Public Charity	143 148
GRI 414: Supplier Social Assessment	414-1 New suppliers that were screened using social criteria 414-2 Negative social impacts in the supply chain and actions taken	Responsible Procurement	131
		Responsible Procurement	131
GRI 415: Public Policy	415-1 Political contributions	No political contribution	/
GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Operation Safety	43
		No related events occurred	/
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling 417-2 Incidents of non-compliance concerning product and service information and labeling 417-3 Incidents of non-compliance concerning marketing communications	Responsible Cultural Tourism Responsible Procurement	59 131
		No related events occurred	/
		No related events occurred	/
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No related events occurred	/

Abbreviations	Full Names
Aquarium	The Lost Chambers Aquarium in Atlantis Sanya
Atlantis Sanya	The tourism destination established by the Group on the Haitang Bay National Coast of Sanya, Hainan province, People's Republic of China
Audit Committee	Audit committee of the Board
Bed Capacity	Bed capacity for the number of beds available during the operational period of the hotel (without regard of the actual number of rooms occupied)
Board	Board of Director of the Company
BREEAM	Building Research Establishment Environmental Assessment Method
Casa Cook International	A boutique hotel brand that received a series of awards under Thomas Cook, focusing on design aesthetics, high-quality dining and providing its customers with comfortable and happy experience
China or People's Republic of China	The People's Republic of China, but for the purposes of the Report and for geographical reference only, unless the context otherwise requires, excluding Hong Kong, the Macau and Taiwan
Club Med	A global leisure and tourism resort of the Group featuring the idea of all-inclusive creative holidays
Club Med Joyview	One of Club Med resort brands that provides weekend holidays and MICE services to Chinese markets to meet the growing demand for Chinese tourists
Company or Our Company	Fosun Tourism Group (formerly known as Fosun Tourism and Culture Group (Cayman) Company Limited), an exempted company with limited liability incorporated in the Cayman Islands on 30 September 2016
Cook's Club	A hotel brand under Thomas Cook, designed for a new generation of travellers who want fun, lively holidays in hotels that have modern and stylish design
Corporate Governance Code	The Corporate Governance Code set out in Appendix 14 to the Listing Rules
Covid, Covid-19, epidemic, pandemic	The Corporate Governance Code set out in Appendix 14 to the Listing Rules
Director(s)	The director(s) of the Company
EBITDA	Earnings before interest, tax, depreciation and amortization
EHS	Environment, Health and Safety
EHSQ	Environment, Health, Safety and Quality
ESG	Environmental, Social and Governance
ESG Committee	ESG Committee of the Board
ESG Reporting Guide	Environmental, Social and Governance Reporting Guide in Appendix 27 to the Listing Rules of Hong Kong Stock Exchange
ESG Report, our Report, the Report	Environmental, Social and Governance Report
Fosun Holiday	The Group's global ecosystem, including its commercially interconnected businesses, provides a range of travel and leisure related services
FOLIDAY Town	The brand name of a large tourism destination of the Group
Foryou Club	Our member management system in China, the management and operation of the system is aimed to provide the members and customers registered under the FTG ecosystem with services and activities

Readers Feedback Form

Thank you for reading the Group's "2021 ESG Report". In order to provide more valuable information to the Group's stakeholders and improve its ability and level of fulfilling social responsibilities, the Group would welcome any feedback or suggestions you might have about the Report.

You can send this form to any of the following:

E-mail address: oliday.esg@fosun.com

How would you rate the Group's 2022 ESG Report?

Extremely Satisfied Very Satisfied Satisfied Less Satisfied Not Satisfied

How would you rate the economic, social and environmental responsibilities of the Group?

Economic responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Social Responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Environmental responsibility	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied

Please rate the effectiveness of the Report in reflecting the economic, social and environmental impact the Group has brought about through its social responsibility practices.

Excellent Good Fair Poor Terrible

How would you rate the clarity, accuracy and completeness of the information, data and indicators the Report has disclosed?

Clarity	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Accuracy	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied
Completeness	<input type="checkbox"/> Extremely Satisfied <input type="checkbox"/> Very Satisfied <input type="checkbox"/> Satisfied <input type="checkbox"/> Less Satisfied <input type="checkbox"/> Not Satisfied

Do you find the Report in easy-to-read contents and formatting?

Yes Neutral No

Feel free to share any comments or suggestions you may have on the Group's ESG work and the Report:

Abbreviations	Full Names
Fosun Foundation	Established in November 2012, Fosun Foundation's business activities include: natural disaster relief; poverty alleviation and helping the physically challenged people; financial assistance offered for cultural and educational corporate social responsibility projects, to young entrepreneurs and for youth employment and other corporate social responsibility causes
Fosun Group	Fosun International Limited and its subsidiaries
GE	A Gentil Employé is a Club Méditerranée employee, originating in the country where the village is located. Their job is in a fixed location and they have a status different from that of a GO®
GHG	Greenhouse Gas
GM®	Gentil Membre: Club Med customer
GO®	Gentil Organisateur: a Club Med employee in direct contact with customers. A Gentil Organisateur is above all a link creator within the village
Great Member	Member of Club Med Great Member Loyalty Program
GRI Standards	GRI Sustainability Reporting Standards issued by the Global Sustainability Standards Board (GSSB)
HACCP	Hazard Analysis and Critical Control Points
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
LEED	Leadership in Energy and Environmental Design
Listing	Listing of shares on the Main Board
Listing Rules	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended or supplemented from time to time
Main Board	The stock market (excluding the option market) operated by the Hong Kong Stock Exchange, which is independent from and operated in parallel with GEM
Miniversity	The brand for learning and playing club for children
MSCI	MSCI Inc.
Nomination Committee	Nomination Committee of the Board
Remuneration Committee	Remuneration Committee of the Board
Reporting Period	1 January 2022 to 31 December 2022
SHH	Safe, Hygiene, Health
SOP	Standard Operating Procedure
Strategy Committee	Strategy Committee of the Board
Subsidiaries	Has the meaning ascribed thereto under section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
TCFD	Task Force on Climate-related Financial Disclosure
TCP	Thomas Cook Lifestyle Platform
The Group, Fosun Tourism Group, We (or us), or Fosun Tourism	Our Company and our subsidiaries at the relevant time or, where the context so requires, or if the context requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
Thomas Cook	The main brand Thomas Cook as well as hotel brands Casa Cook and Cook's Club acquired from Thomas Cook Group plc by the Group in November 2019
Waterpark	The Aquaventure Waterpark in Atlantis Sanya



复星旅文
FOSUN HOLIDAY